



SUBJECT: CliftonLarsonAllen, LLP For Consulting Services for Year Ended September 30, 2025

ACTION REQUESTED: Approval of CliftonLarsonAllen, LLP Agreements for Consulting Services for Year Ended September 30, 2025.

REQUESTED BY: Matthew Converse, Finance Director

SUPPORTING DOCUMENTS: Yes

SUMMARY

Under State Statute, the city and CRA are required to have independent audits. Audit services were solicited in 2025 and awarded to CliftonLarsonAllen, LLP. The Master Service Agreement and SOWs for Fiscal Year 2025 were approved by City Commission on March 2, 2026.

The attached agreement is for consulting services for the fiscal year 2025 audit. In order to expedite the audit process to get the fiscal year 2025 audit completed by the June 30th State deadline, the finance department is in need of assistance with the audit. CliftonLarsonAllen, LLP, our current auditor, has the ability to provide us with a staff accountant to assist with audit preparation tasks and workpapers. The staff accountant would be the same person who assisted with prior year audits, separate from the audit team, and the work would be reviewed both by the City's finance director and a separate review team at CliftonLarsonAllen, LLP.

The agreement will be billed at an hourly rate based on the level of the person completing the work and will not exceed \$25,000.

Staff recommends City Commission approve CliftonLarsonAllen, LLP Agreement for Consulting Services for the City and the CRA for Year Ended September 30, 2025.



MSA Date: _____, 2026

Master Services Agreement

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for the City of Safety Harbor, Florida (“you,” “your” or “City”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein. This MSA is entered into pursuant to the terms of that certain Request for Proposals for Independent Audit Services (RFP No. 2025-03) (“Proposal”) which was awarded to CLA on December 15, 2025. In the event of conflicts between the Proposal and this MSA, the terms of this MSA will prevail.

1. Scope of Professional Services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose all errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal controls as part of any services.

2. Management responsibilities

You acknowledge and understand that our role is to provide the services identified in an SOW and that management, and any other parties engaging CLA, have responsibilities that are fundamental to our undertaking to perform the identified services.

3. Fees and terms

In consideration of CLA's faithful performance of the services in accordance with this MSA and the applicable SOWs, the City agrees to pay CLA pursuant to the prices as set forth in CLA's Proposal. However, all payments to CLA individually and in the aggregate shall not exceed the maximum price set forth in the total fee, as provided in the City's contract award, as further defined in RFP No. 2025-03. Payment shall be made only for work which is actually performed and approved by the City.

Specific pricing and fee details for each engagement will be set forth in the applicable Statement of Work (SOW), which forms part of this MSA. For services rendered pursuant to RFP No. 2025-03, fees shall comply with CLA's fee proposal for RFP No. 2025-03.

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services.

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. The City shall not be in breach or default of this MSA or any other applicable SOW for complying with the Florida Local Government Prompt Payment Act, section 218.70, et. seq., Florida Statutes. The City does not pay sales tax and will provide sales tax exemption information at the written request of CLA where necessary.

Payments may be made utilizing checks, [Bill.com](https://www.bill.com), your online banking platform, CLA's electronic payment platform, or any other client-initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for you to make direct bank to bank wire transfers or ACH payments will be provided upon request.

4. Other Fees

Except for any litigation between you and CLA, you agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to relating to our engagement.

5. Finance charges and collection expenses

You agree that if any statement is not paid within 45 days from the date the City receives an invoice submitted in accordance with the Local Government Prompt Payment Act, section 218.70, et. seq., Florida Statutes, the unpaid balance shall accrue interest at the monthly rate of one percent (1%), pursuant to the Florida Local Government Prompt Payment Act. The City shall not be in breach or default of the MSA for complying with the Florida Local Government Prompt Payment Act. The City does not pay sales tax and will provide sales tax exemption information at the written request of CLA when necessary. In the event that any collection action is required to collect unpaid balances due to us, reasonable attorney fees and expenses shall be recoverable by the prevailing party.

6. Dispute Resolution

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties (i.e., you and CLA). The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Notwithstanding the foregoing, the mediation requirement set forth in this section shall not be a condition precedent to, or otherwise limit, the City's ability to exercise any rights or remedies available to it under this MSA, at law, or in equity. This includes, without limitation, the City's right to invoke indemnification in connection with any third-party claim, demand, action, or suit arising out of or relating to the services provided under this MSA or any applicable SOW.

7. Indemnification

The Parties recognize that CLA is an independent contractor. CLA agrees to indemnify, hold harmless, and defend the City, its commissioners, mayor, officers, employees, agents, and attorneys of, from, and against all liability and expense, including reasonable attorneys' fees in connection with any and all third-party claims, demands, damages, actions, causes of action, and suits in equity of whatever kind or nature, including claims for personal injury, property damage, relief, or loss of use, directly caused by CLA under this MSA. This indemnification provision includes claims made by any employees of CLA against the City, and CLA hereby waives its entitlement, if any, to immunity under section 440.11, Florida Statutes. Nothing contained in this contract, and specifically this provision requiring CLA to indemnify the City, is intended to nor shall it be construed as an additional waiver of sovereign immunity by City beyond the City's expressed written contractual obligations contained within this contract, nor shall it be construed as a waiver of any defenses or limitations to any claims, including those based on the doctrine of sovereign immunity or section 768.28, Florida Statutes. The obligations contained in this paragraph shall survive the termination of this MSA, however terminated and shall not be limited by the amount of any insurance required to be obtained or maintained under this MSA.

Subject to the limitations set forth in this section, CLA shall assume control of the defense of any claim asserted by a third party against the City for which CLA is obligated to indemnify, defend, and hold harmless the City. The City shall have the right, at its option, to participate in the defense of any third-party claim, at its sole expense, without relieving CLA of any of its obligations hereunder. If CLA assumes control of the defense of any third-party claim in accordance with this section, CLA shall obtain the prior written consent of the City before entering into any settlement of such claim, which consent shall not be unreasonably withheld. Notwithstanding anything to the contrary in this section, CLA shall not assume or maintain control of the defense of any third-party claim, but shall pay the fees of counsel retained by the City and all expenses, including experts' fees, if (a) an adverse determination with respect to the third-party claim would, in the good faith judgment of the City, be detrimental in any material respect to the City's reputation; (b) the third-party claim seeks an injunction or equitable relief against the City; or (c) CLA has failed or is failing to prosecute or defend vigorously the third-party claim. Each party shall cooperate, and cause its agents to cooperate, in the defense or prosecution of any third-party claim and shall furnish or cause to be furnished such records and information, and attend such conferences, discovery proceedings, hearings, trials, or appeals, as may be reasonably requested in connection therewith.

Nothing contained in this MSA is intended to nor shall it be construed as a consent by the City to be sued by third parties nor a waiver of any defenses or immunities as to such third-party claims, including those based on sovereign immunity or section 768.28, Florida Statutes

8. Public Records

Pursuant to section 119.0701, Florida Statutes, for any tasks performed by CLA on behalf of the City, CLA shall: (a) keep and maintain all public records, as that term is defined in chapter 119, Florida Statutes ("Public Records"), required by the City to perform the work contemplated by this MSA; (b) upon request from the City's custodian of public records, provide the City with a copy of the requested Public Records or allow the Public Records to be inspected or copied within a reasonable time at a cost that does not exceed the costs provided in chapter 119, Florida Statutes, 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 for the duration of the term of this MSA and following completion or termination of this MSA, if CLA does not transfer the records to the City in accordance with (d) below; and (d) upon completion or termination of this MSA, (i) if the City, in its sole and absolute discretion, requests that all Public Records in possession of CLA be transferred to the City, CLA shall transfer, at no cost, to the City, all Public Records in possession of CLA within thirty (30) days of such request or (ii) if no such request is made by the City, CLA shall keep and maintain the Public Records required by the City to perform the work contemplated by this MSA. If CLA transfers all Public Records to the City pursuant to (d)(i) above, CLA shall destroy any duplicate Public Records that are exempt or confidential and exempt from Public Records disclosure requirements within thirty (30) days of transferring the Public Records to the City and provide the City with written confirmation that such records have been destroyed within thirty (30) days of transferring the Public Records. If CLA keeps and maintains Public Records pursuant to (d)(ii) above, CLA shall meet all applicable requirements for retaining Public Records. All Public Records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology of the City. If CLA does not comply with a Public Records request, or does not comply with a Public Records request within a reasonable amount of time, the City may pursue any and all remedies available in law or equity including, but not limited to, specific performance. The provisions of this section only apply to those tasks in which CLA is acting on behalf of the City.

Nothing in this section shall apply to CLA's workpapers which are not considered public records pursuant to applicable Florida statutes.

**IF CLA HAS QUESTIONS REGARDING THE APPLICATION OF
CHAPTER 119, FLORIDA STATUTES, TO THE CLA'S DUTY TO
PROVIDE PUBLIC RECORDS RELATING TO THIS MSA,
CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:**

Telephone number: 727-724-1555

E-mail address: rtelesca@cityofsafetyharbor.com

Mailing address: 750 Main Street, Safety Harbor Florida 34695

9. Time limitations

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this MSA or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, except as expressly provided below, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within these periods ("Limitation Period"), which vary based on the services provided, and may be modified as described in the following paragraph:

Service	Time after the date we deliver the services or work product*
Tax Consulting Services	36 months
Tax Return Preparation	36 months
Examination, compilation, and preparation services related to prospective financial statements	12 months
Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information	24 months
All Other Services	12 months

* pursuant to the SOW on which the dispute is based

This Limitation Period shall not apply to any claims, demands, damages, actions, causes of action, and suits in equity of whatever kind or nature, including claims for personal injury, property damage, relief, or loss of use, arising out of a violation of the Florida Public Records Act, Chapter 119, Florida Statutes.

If the MSA is terminated or your ongoing relationship with CLA is terminated, then the applicable Limitation Period is the lesser of the above periods or 12 months after termination of MSA or your ongoing relationship with CLA. The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

10. Confidentiality

Except as permitted by the “Consent” section of this MSA, CLA will not disclose any of your confidential, proprietary, or privileged information to any person or party, unless you authorize us to do so, it is published or released by you, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law, regulation, or professional standard. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us. You also consent to our disclosure of information regarding the nature of services we provide to you to another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for

some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

Title to the deliverables described in the deliverables section of a statement of work (the "Deliverables") is granted to you when all outstanding fees for the engagement are paid for in full, subject to the following limitation and terms of the statement of work. As between the parties, CLA shall retain all right, title and interest in and to its workpapers and all methodologies, processes, techniques, ideas, concepts, trade secrets and know-how embodied in the Deliverables or that CLA may develop or supply in connection with this Agreement, except for those records, reports, workpapers, or other Deliverables that are provided to the City or that are part of the City's own records in accordance with chapter 119, Florida Statutes. All rights in the Deliverables not granted to you are reserved by CLA.

Pursuant to authority given by law, regulation, or professional standards we may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

CLA recognizes that you are a governmental entity which is subject to the public records and open meetings laws of the State of Florida and nothing contained herein shall be construed as authorizing or agreeing to any action which would violate such laws. All information claimed to be confidential shall be clearly, distinctly, and separately marked and identified in writing as such. Regardless of whether such information is marked or identified as such and notwithstanding any provision contained in this MSA, no information claimed to be confidential shall include any information that: (i) was already in the public domain or is otherwise already disclosed; (ii) was already known to the recipient, without restriction, at the time of disclosure; (iii) was independently developed by the recipient without any use of such information; (iv) was properly obtained by the recipient from a third party lawfully in possession of such information and without breach of such third party's obligations of confidentiality; or (v) must be disclosed pursuant to court order or under operation of law, including but not limited to the public records or public meetings laws of the State of Florida because such information: (a) does not meet the definition of trade secret as prescribed by section 815.045, Florida Statutes, as may be amended from time to time, or (b) is not otherwise exempt from the public records and open meetings laws of the State of Florida pursuant to a specific statutory exemption. The determination of the applicability of statutory exemptions to a particular record will be made by you, in your sole and absolute discretion.

11. Other provisions

You agree that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this MSA, except as may be assumed in an SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, any confidential or exempt data, including protected health information and certain personally identifiable information, must be redacted by you to the maximum extent possible under chapter 119, Florida Statutes, prior to uploading the document or file. In the event that you are unable

to remove or obscure all confidential or exempt data, please contact us to discuss other potential options for transmitting the document or file.

CLA and certain owners of CLA are licensed by the California State Board of Accountancy. However, CLA has owners not licensed by the California State Board of Accountancy who may provide services under this MSA. If you have any questions regarding licensure of the personnel performing services under this MSA, please do not hesitate to contact us.

During the course of the engagement, there may be communication via fax or email. You are responsible to ensure that communications received by you or your personnel are secured and not shared with unauthorized individuals.

12. Consent to use financial information

We regularly aggregate anonymized client data and perform a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, we agree to preserve the confidentiality of the separate information that we obtain from each client, as required by the AICPA Code of Professional Conduct, chapter 119, Florida Statutes, and various other applicable laws. Your acceptance of this MSA will serve as your consent to our use of City of Safety Harbor, Florida anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analyses.

Unless authorized by law or the client consents, we cannot use a client's tax return information for purposes other than the preparation and filing of the client's tax return. By signing and dating this MSA, you authorize CLA to use any and all information furnished to CLA for or in connection with the preparation of the tax returns under this MSA, for a period of up to six (6) years from the date of this MSA, in connection with CLA's preparation of the types of reports described in the foregoing paragraph.

13. Consent to send you publications and other materials

For your convenience, CLA produces a variety of publications, hard copy and electronic, to keep you informed about pertinent business and personal financial issues. This includes published articles, invitations to upcoming seminars, webinars and webcasts, newsletters, surveys, and press releases. To determine whether these materials may be of interest to you, CLA will need to use your tax return information. Such tax information includes your name and address as well as the business and financial information you provided to us.

By signing and dating this MSA, you authorize CLA to use the information that you provide to CLA during the preparation of your tax returns to determine whether to offer you relevant materials. Your consent is valid until further notice.

14. Subcontractors

CLA may, at times, use subcontractors to perform services under this MSA, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this MSA.

15. Technology

CLA may, at times, use third-party software applications to perform services under this MSA. You acknowledge the software vendor may have access to your data. Any such vendor will be subject to the same restrictions on the use of such information and records as apply to CLA under this MSA.

16. Termination of MSA

This MSA shall continue for five years from _____, 2026, unless terminated earlier by giving appropriate notice. Either party may terminate this MSA at any time by giving 30 days written notice to the other party. Upon termination of the MSA, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

In the event the City, in its sole discretion, determines that sufficient budgeted funds are not available to appropriate for payments due to CLA under this MSA and any SOW(s), the City shall notify CLA of such occurrence and the MSA and SOW(s) shall terminate on the last day of the current fiscal period without any penalty or expense to the City

17. Agreement

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable addendum(s) and SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. This MSA may not be amended or modified except in writing executed by both parties. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

18. E-verify

CLA shall comply with all applicable provisions of sections 448.09 and 448.095, Florida Statutes, as may be amended. The definitions in section 448.095(1), Florida Statutes, as may be amended, apply to this section of the Agreement. CLA shall register with and use the U.S. Department of Homeland Security's E-Verify system to verify the work authorization status of all employees of CLA. CLA may not enter into a contract with a subcontractor to perform work under this MSA unless and until the subcontractor registers with and uses the E-Verify system. If CLA enters into a contract with a subcontractor to perform work under this Agreement, CLA must obtain a properly executed affidavit from the subcontractor stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien. CLA must maintain copies of all such affidavits for the duration of this Agreement. The City may terminate this MSA for cause if City determines that CLA or CLA's subcontractor has not complied with any applicable provision of sections 448.09 or 448.095, Florida Statutes, as may be amended. City will terminate this MSA for cause if City has a good faith belief that CLA has knowingly violated subsection 448.09(1), Florida Statutes, as may be amended. If the City has a good faith belief that a subcontractor knowingly violated section 448.09(1), Florida Statutes, as may be amended, but City determines that CLA otherwise complied with section 448.09(1), Florida Statutes, as may be amended, City will notify CLA as such, and CLA must immediately terminate CLA's contract with said subcontractor. If this MSA is terminated under section 448.095(c), F.S.: (a) such termination is not a breach of this MSA and may not be considered as such; (b) CLA may not be awarded a public contract for at least 1 year after the date on which the MSA is terminated; and (c) CLA is liable for any additional costs incurred by the City as a result of the termination of the Agreement.

19. Termination for Scrutinized Companies

By executing this MSA and each and every renewal hereof (if renewal is separately provided for herein), pursuant to section 287.135, Florida Statutes, CLA certifies, represents, and warrants that: (a) it is not on the Scrutinized Companies that Boycott Israel List, and (b) it is not engaged in a Boycott of Israel, and that all such certifications were true at the time it submitted its bid or proposal for this

MSA, as of the Effective Date of this MSA, and as of the effective date of any renewal of this MSA. Notwithstanding anything contained in this MSA to the contrary, the City may terminate this MSA immediately if: (1) CLA is found to have submitted a false certification regarding (a) or (b) above in accordance with section 287.135, Florida Statutes, or (2) CLA has been placed on the Scrutinized Companies that Boycott Israel List or is or has been engaged in a Boycott of Israel. Such termination shall be in addition to any and all remedies available to the City at law or in equity. The term “Boycott of Israel” used in this section is defined as in, and the Scrutinized Companies that Boycott Israel List is the list maintained pursuant to, Section 287.135, Florida Statutes.

20. Foreign Country of Concern Disclosure

Pursuant to section 286.101, Florida Statutes, CLA shall disclose any current or prior interest of, any contract with, or any grant or gift received from a Foreign Country of Concern, as defined below, if such interest, contract, or grant or gift has a value of \$50,000 or more and such interest existed at any time or such contract or grant or gift was received or in force at any time during the previous five (5) years.

For purposes of this section, “Foreign Country of Concern” means the People’s Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People’s Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolas Maduro, or the Syrian Arab Republic, including any agency of or any other entity under significant control of such foreign country of concern.

CLA’s disclosure shall include the name and mailing address of the disclosing entity, the amount of the contract or grant or gift or the value of the interest disclosed, the applicable foreign country of concern and, if applicable, the date of termination of the contract or interest, the date of receipt of the grant or gift, and the name of the agent or controlled entity that is the source or interest holder. CLA represents that within one (1) year before proposing any contract to the City, CLA provided a copy of such disclosure to the Florida Department of Financial Services.

21. Anti-Human Trafficking

By executing this Agreement and each and every renewal hereof (if renewal is separately provided for herein), pursuant to section 786.06, Florida Statutes, CLA certifies, represents, and warrants that it does not use coercion for labor services, as those terms are defined in section 786.06. CLA will provide to the City an affidavit signed by an officer or representative of CLA under penalty of perjury attesting that CLA does not use coercion for labor or services. Notwithstanding anything contained in this MSA to the contrary, the City may terminate this MSA and any applicable SOW immediately if CLA is found to have submitted a false attestation. Such termination shall be in addition to any and all remedies available to the City at law or in equity

22. Controlling Law and Venue

This MSA shall be construed by and controlled under the laws of the State of Florida. The Parties consent to jurisdiction over them in the State of Florida and agree that venue for any state action arising under this MSA shall lie solely in the courts located in Pinellas County, Florida, and for any federal action shall lie solely in the United States District Court, Middle District of Florida, Tampa Division.

23. Authority

The Parties represent and warrant that each is authorized to enter into this MSA without the consent and joinder of any other party and that the individuals executing this MSA have full power and authority to bind their respective party to the terms hereof.

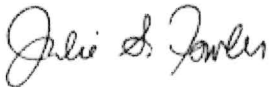
24. Mutual Drafting

This MSA is the product of mutual drafting, each party having been represented by or having the opportunity to be represented by counsel and therefore shall not be construed against either party.

Response:

This MSA correctly sets forth the understanding of the City of Safety Harbor, Florida.

CliftonLarsonAllen LLP



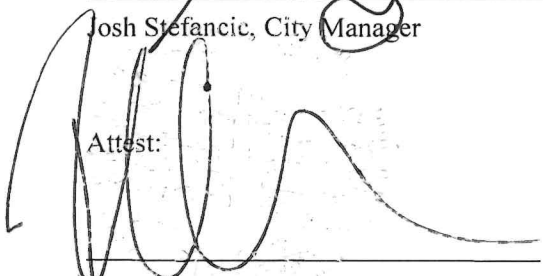
Julie S. Fowler, CPA
Signing Director

City of Safety Harbor, Florida



Josh Stefancic, City Manager

Attest:



Rachael Telesca, City Clerk

Approved as to Form:

Sarah L. Johnston, City Attorney



_____, 2026

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated _____, 2026, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and the City of Safety Harbor, Florida ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended September 30, 2025. This SOW is entered into pursuant to the terms of that certain Request for Proposals for Independent Audit Services (RFP No. 2025-03) ("proposal") which was awarded to CLA on December 15, 2025. In the event of conflicts between the proposal and this SOW, the terms of this SOW will prevail.

Julie S. Fowler, CPA is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the 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 of Safety Harbor, Florida, and the related notes to the financial statements as of and for the year ended September 30, 2025.

We will also audit the financial statements of the governmental activities and the general fund, which collectively comprise the basic financial statements of the City of Safety Harbor Community Redevelopment Agency, and the related notes to the financial statements as of and for the year ended September 30, 2025.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.

- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.
- Preparation of adjusting journal entries

Audit objectives

The objectives of our audit of the financial statements 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 to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. 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 auditing standards generally accepted in the United States of America (U.S. 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 made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

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 these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial

reporting and on 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 over financial reporting 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 our 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) 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 entity 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 conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We also will issue a written management letter, as required by Chapter 10.550, upon completion of our audit.

It is our understanding that our auditors' report will be included in your annual report which is comprised of introductory and statistical sections of the annual comprehensive financial report and that your annual report will be issued by June 30, 2026. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the entity and its environment, including the system of internal control,

relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Revenue recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, 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, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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 and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a 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 deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. 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*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

We are also responsible for communicating certain matters in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the state of Florida. These matters will be communicated in the management letter.

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.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement,

whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity 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 entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are 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, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. 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 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. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing

financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

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 to us 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 engagements 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.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information from CLA to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. In the event CLA agrees to re-issue the report, CLA agrees to the use of the report in a future registration or offering document. If we decide to re-issue our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report, you may be required to

engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access. Title to the deliverables described in the deliverables section of a statement of work (the "Deliverables") is granted to you when all outstanding fees for the engagement are paid in full, subject to the following limitation and terms of the statement of work. As between the parties, CLA shall retain all right, title and interest in and to its workpapers and all methodologies, processes, techniques, ideas, concepts, trade secrets and know-how embodied in the Deliverables or that CLA may develop or supply in connection with this Agreement, except for those records, reports, workpapers, or other Deliverables that are provided to the City or that are part of the City's own records in accordance with chapter 119, Florida Statutes. All rights in the Deliverables not granted to you are reserved by CLA.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen 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. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

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

We may issue preliminary draft financial statements to you for your review. Any preliminary draft of financial statements should not be relied on or distributed unless required by Chapter 119, Public Records Act, or any other applicable local, state or federal law.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

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

The audit documentation for this engagement is the property of CLA and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory bodies pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of CLA's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to those regulators. The regulators may intend, or

decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the Public Records Act and all other applicable local, state and federal law, access to audit documentation will be provided to the City upon request. Furthermore, upon request, we will provide copies of audit documentation to any requester, unless such documentation is deemed confidential or exempt under Chapter 119, Florida Statutes.

CLA recognizes that the City is a governmental entity which is subject to the public records and open meetings laws of the State of Florida and nothing contained herein shall be construed as authorizing or agreeing to any action which would violate such laws. All information claimed to be confidential shall be clearly, distinctly, and separately marked and identified in writing as such. Regardless of whether such information is marked or identified as such and notwithstanding any provision contained in this SOW, no information claimed to be confidential shall include any information that: (i) was already in the public domain or is otherwise already disclosed; (ii) was already known to the recipient, without restriction, at the time of disclosure; (iii) was independently developed by the recipient without any use of such information; (iv) was properly obtained by the recipient from a third party lawfully in possession of such information and without breach of such third party's obligations of confidentiality; or (v) must be disclosed pursuant to court order or under operation of law, including but not limited to the public records or public meetings laws of the State of Florida because such information: (a) does not meet the definition of trade secret as prescribed by section 815.045, Florida Statutes, as may be amended from time to time, or (b) is not otherwise exempt from the public records and open meetings laws of the State of Florida pursuant to a specific statutory exemption. The determination of the applicability of statutory exemptions to a particular record will be made by you, in your sole and absolute discretion.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the City or any other state or federal agency. If we are aware that a federal or state awarding agency, pass-through entity, 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.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery and final acceptance by the City of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly

available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our total fee is \$83,160.00. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

The City shall not be in breach or default of the SOW for complying with the Florida Local Government Prompt Payment Act, section 218.70, et. seq., Florida Statutes. The City does not pay sales tax and will provide sales tax exemption information at the written request of CLA where necessary.

Audit of financial statements	\$79,200.00
Technology and client support fee	\$3,960.00
Total Fee	\$83,160.00

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

This SOW may not be amended or modified except in writing and executed by both parties.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of the City of Safety Harbor, Florida.

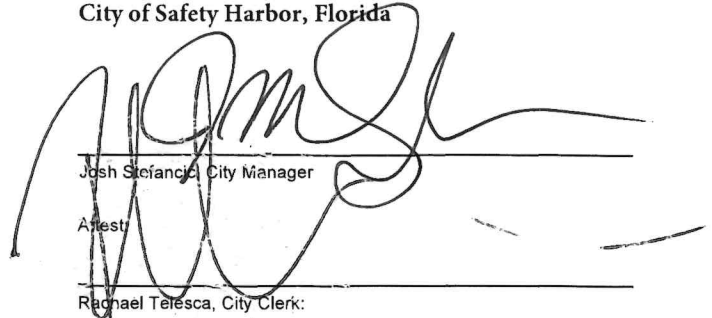
CLA

City of Safety Harbor, Florida

NAME: Julie S. Fowler, CPA

TITLE: Signing Director

SIGN: *Julie S. Fowler*



A large, stylized handwritten signature in black ink, appearing to read 'Josh Stefancia', is written over the signature lines for the City Manager and City Clerk.

Josh Stefancia, City Manager

Arist

Rachael Telesca, City Clerk:

Approved as to Form:

Sarah L. Johnston, City Attorney



_____, 2026

Statement of Work - Assertion Based Examination Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated _____, 2026, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and the City of Safety Harbor, Florida ("you," "your," "the City", or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended September 30, 2025. This SOW is entered into pursuant to the terms of that certain Request for Proposals for Independent Audit Services (RFP No. 2025-03) ("proposal") which was awarded to CLA on December 15, 2025. In the event of conflicts between the proposal and this SOW, the terms of this SOW will prevail.

Julie S. Fowler, CPA is responsible for the performance of the examination engagement.

Examination services

We will examine your compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies during the period October 1, 2024 to September 30, 2025.

Examination objectives

The objectives of our examination are (1) to obtain reasonable assurance about whether the entity complied with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, in all material respects; and (2) to express an opinion in a written report about whether the entity complied with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion.

Those standards require us to be independent of the entity or responsible party, as applicable, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our engagement.

We will issue a written report upon completion of the examination. We cannot provide assurance that an

unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate evidence, or the existence of a significant risk of material misstatement or deviation from the criteria, which in our professional judgment prevent us from completing the examination or forming an opinion, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, others within the entity, and Auditor General, state of Florida and is not intended to be and should not be used by anyone other than the specified parties.

Our responsibilities, procedures, and limitations

We will conduct our examination in accordance with attestation standards established by the AICPA.

Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the entity complied with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, in all material respects, including designing the examination to detect both intentional and unintentional material noncompliance. An examination involves performing procedures to obtain evidence we consider necessary to enable us to express our opinion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. There is an unavoidable risk, because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, that some material noncompliance may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

In making our risk assessments, we consider internal control relevant to the entity's internal control over compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies in order to identify types of potential noncompliance, to consider factors that affect the risk of material noncompliance, and to design examination procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control relevant to the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies. An examination is not designed to provide assurance on internal control over compliance or to identify deficiencies in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies that we identify during the examination.

Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, fraud, or noncompliance with laws or regulations, that may exist. However, we will inform you of any material errors, uncorrected misstatements, and known and suspected fraud and

noncompliance with laws or regulations identified during the engagement.

Management responsibilities

You are responsible for the entity's compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies. You are responsible for, and agree to provide us with, a written assertion about the entity's compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies. You are responsible for the design, implementation, and maintenance of internal control over compliance.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the entity's compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, such as records, documentation, and other matters, and for the accuracy and completeness of that information; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons from whom we determine it necessary to obtain evidence.

You agree to inform us of events occurring or facts discovered subsequent to the period covered by our report affecting the entity's compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies.

You are responsible for the entity's compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies; and for selecting the suitable criteria and determining that such criteria are appropriate for the purpose of the engagement. You are responsible for determining that the criteria will be available to the intended users. We may advise you about appropriate criteria, but the responsibility for compliance with the specified requirements remains with you.

For all nonattest services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information from CLA to oversee the services.

At the conclusion of our engagement, we will require a representation letter from management that, among other things, will include management's assertion about and confirm management's responsibility for the entity's compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, acknowledge management's responsibility for establishing and maintaining effective internal control over compliance, state that management has performed an evaluation of the entity's compliance with the specified requirements, and state management's interpretation of any compliance requirements that have varying interpretations. Management acknowledges that it agrees to provide us with a written

representation letter at the conclusion of the engagement which provides confirmation of representations made by you and your staff to us in connection with the examination engagement. During our engagement, we will request information and explanations from you regarding the entity's compliance with the Section 218.415, Florida Statutes, regarding the investment of public funds, and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud, error, or noncompliance to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any noncompliance that we may fail to detect as a result of misrepresentations made to us by you.

Engagement administration and other matters

A list of information we expect to need for the engagement and the dates required will be provided in a separate communication.

Our engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Fees

Our fees for these services are included in fees detailed in the Statement of Work for auditing services. The City shall not be in breach or default of the SOW for complying with the Florida Local Government Prompt Payment Act, section 218.70, et. seq., Florida Statutes. The City does not pay sales tax and will provide sales tax exemption information at the written request of CLA where necessary.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to examination services. This SOW may not be amended or modified except in writing executed by both parties.

If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

CLA

City of Safety Harbor, Florida

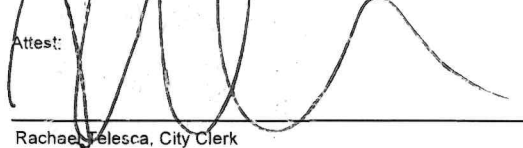
NAME: Julie S. Fowler, CPA

TITLE: Signing Director

SIGN: 



Josh Stefancic, City Manager

Attest: 

Rachael Telesca, City Clerk

Approved as to Form:

Sarah L. Johnston, City Attorney