



CLA (CliftonLarsonAllen LLP)
One Tampa City Center
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Tampa, FL 33602
813-384-2700 | fax 813-384-2750
CLAconnect.com

February 5, 2020

Bruce Miller, Finance Director
City of Lake Worth
7 North Dixie Highway
Lake Worth Beach, Florida 33426

Dear Mr. Miller:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the nonattest services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for City of Lake Worth, Florida (“you,” “your,” or “the City”) for the year ended September 30, 2019.

Andrew Laflin, Principal, is responsible for the performance of the engagement.

Scope of professional services

CLA will perform the following services for the City:

For the fiscal year ending September 30, 2019, CLA agrees to perform the following functions:

- Assist with performing reconciliations to support the balances in the year end trial balance
- Prepare schedules and other support requested by the auditor as directed by the City’s management.
- Perform an analytical review of the year end balances within the trial balance, including a prior year to current year analysis, evaluation of available schedules and other documentation to support certain balances within the trial balance, and other “pre-audit” activities requested by management.

If modifications or changes are required during the course of the engagement that are beyond the initial scope of professional services (such as preparation of the annual Comprehensive Annual Financial Report, or CAFR document), or if you request that we perform any additional services, we will provide you with a separate agreement or addendum for your signature. Such separate agreement or addendum will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Engagement objectives, limitations, and responsibilities

The objective of our engagement is to assist you in the preparation of financial statements by providing the services identified above. We have not been engaged to prepare financial statements and financial statements will not be presented to you. Financial statements that may be generated from your accounting system have not been prepared, compiled, reviewed, or audited by us and, accordingly, will not include an opinion or any other form of assurance. The financial statements will not be accompanied by a report, and our firm should not be discussed or associated with them.

Material departures from accounting principles generally accepted in the United States of America (U.S. GAAP) or a special purpose framework may exist and the effects of those departures, if any, on the financial statements you generate may not be disclosed. Because of the extent of material departures that may exist in, or required disclosures that may be omitted from, the financial statements you generate, we make no representations regarding the appropriateness of such statements for your intended use or for any other purpose. Moreover, because of the nature of this engagement, we are not responsible for communicating any such departures or omissions to you.

We will comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the City or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the City's financial statements that may not be identified as a result of misrepresentations made to us by you.

Professional fees

Our fees for these services will be based on the time involved and the degree of responsibility and skills required, plus expenses, including travel, internal and administrative charges. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

Fees and reimbursements will be due and payable throughout the project, following the City's receipt of an invoice from CLA. Compensation for services is due in accordance with the Florida Prompt Payment Act. Finance charges of one and one-quarter percent (1.25%) per month will be added to any past due amounts. CLA has the right to immediately terminate our services if payment for our fees or costs is not made to us in a timely manner.

In the event CLA's services are terminated for whatever reason during the project, the City will promptly compensate CLA for all professional services rendered and out-of-pocket expenditures through the date of termination.

Our services will be billed at the hourly rates based on the table below:

Consultant	Rate
Engagement Principal (Andrew Laflin)	\$150 per hour
Senior Consultants (as needed)	\$130 per hour
Staff Consultants (as needed)	\$80 per hour

Payments.

The total amount to be paid the Consultant under this Agreement shall not exceed \$30,000 (Thirty Thousand Dollars). The City shall not reimburse the Consultant for any additional costs incurred as a direct or indirect result of the Consultant providing services to the City under this Agreement which exceed the amount set forth above.

Indemnification and Limitation of Liability.

The Consultant, its officers, employees and agents shall indemnify and hold harmless the City, including its officers and employees from liabilities, damages, losses, and costs, including but not limited to, reasonable attorney's fees (at the trial and appellate levels), to the extent caused by the negligence, recklessness or intentionally wrongful conduct of the Consultant and other persons employed or utilized by the Consultant in the performance of the services under this Agreement. The City agrees to be responsible for its own negligence. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the City or the Consultant, nor shall this Agreement be construed as a waiver of sovereign immunity for the City beyond the waiver provided in section 768.28, Florida Statutes. In no event shall either party be liable for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill.

Public Records.

The Consultant shall comply with Florida's Public Records Act, Chapter 119, Florida Statutes, and, if determined to be acting on behalf of the City as provided under section 119.011(2), Florida Statutes, specifically agrees to:

- (a) Keep and maintain public records required by the City to perform the service.
- (b) Upon request from the City's custodian of public records or designee, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost 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 this Agreement and following completion of this Agreement if the Consultant does not transfer the records to the City.
- (d) Upon completion of this Agreement, transfer, at no cost, to the City all public records in possession of the Consultant or keep and maintain public records required by the City to perform the service. If the Consultant transfers all public records to the City upon completion of the Agreement, the Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Consultant keeps and maintains public records upon completion of the Agreement, the Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records or designee, in a format that is compatible with the information technology systems of the City.

IF THE CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, PLEASE CONTACT THE CUSTODIAN OF PUBLIC RECORDS OR DESIGNEE AT THE CITY OF LAKE WORTH, ATTN: DEBBIE ANDREA, AT (561) 586-1662, DANDREA@LAKEWORTHBEACHFL.GOV, 7 N. DIXIE HIGHWAY, LAKE WORTH, FL 33460.

Scrutinized Companies. Consultant certifies that it and its subcontractors are not on the Scrutinized Companies that Boycott Israel List and are not engaged in the boycott of Israel. Pursuant to section 287.135, Florida Statutes, the City may immediately terminate this Agreement at its sole option if the Consultant or any of its subcontractors are found to have submitted a false certification; or if the Consultant or any of its subcontractors, are placed on the Scrutinized Companies that Boycott Israel List or is engaged in the boycott of Israel during the term of this Agreement.

If this Agreement is for one million dollars or more, the Consultant certifies that it and its subcontractors are also not on the Scrutinized Companies with Activities in Sudan List, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged in business operations in Cuba or Syria as identified in Section 287.135, Florida Statutes. Pursuant to Section 287.135, the City may immediately terminate this Agreement at its sole option if the Consultant, or any of its subcontractors are found to have submitted a false certification; or if the Consultant or any of its subcontractors are placed on the Scrutinized Companies with Activities in Sudan List, or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or are or have been engaged with business operations in Cuba or Syria during the term of this Agreement.

The Consultant agrees to observe the above requirements for applicable subcontracts entered into for the performance of work under this Agreement.

The Consultant agrees that the certifications in this section shall be effective and relied upon by the City for the term of this Agreement, including any and all renewals.

The Consultant agrees that if it or any of its subcontractors' status changes in regards to any certification herein, the Consultant shall immediately notify the City of the same.

As provided in Subsection 287.135(8), Florida Statutes, if federal law ceases to authorize the above-stated contracting prohibitions then they shall become inoperative.

PALM BEACH COUNTY IG. In accordance with Palm Beach County ordinance number 2011-009, the CLA acknowledges that this Agreement may be subject to investigation and/or audit by the Palm Beach County Inspector General. The CLA has reviewed Palm Beach County ordinance number 2011-009 and is aware of its rights and/or obligations under such ordinance.

PUBLIC ENTITY CRIMES. Consultant acknowledges and agrees that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier or sub-contractor under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list. The Consultant will advise the City immediately if it becomes aware of any violation of this statute.

OWNERSHIP OF DELIVERABLES. Except to the extent these provisions are contrary to applicable standards and regulations governing the accounting profession, the deliverables, work product, specifications, calculations, supporting documents, or other work products which are listed as deliverables by the Consultant in Exhibit "A" or prepared for or on behalf of the City under this Agreement, shall become the property of the City upon delivery. The Consultant may keep copies or samples thereof and shall have the right to use the same. The City accepts sole responsibility for the reuse of any such documents in a manner other than as initially intended or for any use of incomplete documents.

Other provisions.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the City to any persons without the authorization of City management or unless required by law. The City and CLA agree to adhere to the requirements of Section 119.0701, Florida Statutes, regarding compliance with public records laws associated with any report deliverables or other documentation produced by CLA under this engagement.

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

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA.

We will be responsible for our own property and casualty, general liability, and workers compensation insurance, taxes, professional training, and other personnel costs related to the operation of our business.

When performing the services above, we will utilize the resources available at the City to the extent practical to continue development of your personnel. During a portion of our work, we may require the use of your computers. We will try to give you advance notice and coordinate our use so it does not interfere with your employees.

The relationship of CLA with the City shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

Accounting standards and procedures will be suggested that are consistent with those normally utilized in a City of your size and nature. We will require management to approve any changes in the application of accounting standards and procedures at the City. Internal controls may be recommended relating to the safeguarding of the City's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The City agrees that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this engagement.

Employment provision

You agree that during the term of this engagement and for a period of one year after the expiration or termination date of this engagement, you will not solicit, hire, contract with, or engage the services of any person providing services to you on behalf of CLA without the prior written consent of CLA.

You acknowledge that:

1. CLA personnel may be subject to agreements restricting their right to contract with or solicit business from you other than their service through CLA, and
2. If you breach this non-solicitation provision, you shall pay \$50,000 to CLA as liquidated damages within two weeks of the date on which the former CLA employee or consultant begins his or her new employment with you.

You acknowledge and agree that CLA's damages resulting from violation of this section are difficult or impossible to estimate and that the sum stipulated above is a reasonable pre-estimate of the probable loss that CLA would incur based on the cost of replacement, training, lost resources for projects, and other factors and is not a penalty. Liquidated damages under this paragraph shall not limit or impair any other remedies CLA may seek for breach of this paragraph or this agreement.

Consent

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of City of Lake Worth Beach information in these cost comparison, performance indicator, and/or benchmarking reports.

Venue and Waiver of Jury Trial.

Any and all legal action necessary to enforce the Agreement will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

TO ENCOURAGE PROMPT AND EQUITABLE RESOLUTION OF ANY LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY IN ANY LITIGATION RELATED TO THIS AGREEMENT.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, 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 agreement.

Termination of agreement

Either party may terminate this agreement at any time by giving 10 days written notice to the other party. In that event, the provisions of this agreement shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign, date, and return a signed copy to us by email or U.S. mail.

Sincerely,


CliftonLarsonAllen LLP



Andrew Laflin, CPA
Principal
813-384-2711
andrew.laflin@CLAconnect.com

Response:

This letter correctly sets forth the understanding of City of Lake Worth, Florida.

Authorized Signature:  FOR MICHAEL BORNSTEIN
Title: CITY MANAGER ACST-City MGR JUAN RUIZ
Date: 2/7/20

FOR FINANCIAL SUFFICIENCY:
SIGNATURE: 
BRUCE MILLER, FINANCIAL SERVICES DIRECTOR