

December 11, 2019

Dairian Burke
Town of Howey-in-the-Hills
P.O. Box 128
101 N. Palm Ave.
Howey-in-the-Hills, FL 34737

Re: Financial consulting services for fiscal years 2019 and 2020

Dear Ms. Burke:

This letter confirms our understanding of your retention of Carr, Riggs & Ingram LLC (CRI) to assist the Town of Howey-in-the-Hills in the matter referenced above.

Services to be Provided

Our services to be performed under the direction of David Alvarez, partner, and in compliance with Statements on Standards for Consulting Services of the American Institute of Certified Public Accountants, will include but not be limited to the following:

• **Planning**

- Meeting with appropriate personnel at the Town to assess the condition of the financial records, processes and internal controls in place for the Town's financial records.

• **Documentation and Implementation of Processes, Procedures, and Internal Controls**

- Documentation of existing processes, procedures, and internal controls considered relevant to the financial management of the Town, specifically in the following areas:
 - Procurement
 - Payroll
 - Utility billing and collection
 - Cash receipting, including grant management
- Development and recommendation of changes to existing or addition of new processes, procedures, and internal controls considered relevant to the financial management of the Town.
- Training, mentoring, and providing other guidance to enhance the effectiveness and efficiency of Town personnel in the area of financial management.

Assistance with Fiscal Year 2019 Financial Records and External Audit

- Identify correcting and closing entries needed.
- Assist in performing reconciliations as necessary.
- Review and approve financial records as considered necessary and appropriate.
- Coordinate with external auditors on annual audits to provide requested documentation, reconciliations, and to serve as liaison with Town staff as appropriate.
- Draft the following (if requested):
 - Town financial statements.
 - Annual Financial Report (AFR).
 - Data Collection Form (if a federal single audit is required).

• Assistance with Fiscal Year 2020 Financial Records and External Audit

- Identify correcting and closing entries needed.
- Assist in performing reconciliations as necessary.
- Review and approve financial records as considered necessary and appropriate.
- Coordinate with external auditors on annual audits to provide requested documentation, reconciliations, and to serve as liaison with Town staff as appropriate.
- Draft the following (if requested):
 - Town financial statements.
 - Annual Financial Report (AFR).
 - Data Collection Form (if a federal single audit is required).

• Assistance with Fiscal Year 2020 Budget Process

- Prepare reports and provide assistance as needed for the FY 2020 budget process.

Engagement Administration, Fees, and Other

It is understood that CRI has been retained for this engagement by the Town Clerk who has management responsibility over the financial records of the Town. It is agreed that our fee is not contingent in any way. We will submit bills to you that are due upon presentation. We reserve the right to defer rendering further services until payment is received on past due invoices.

The time incurred by CRI will depend on the extent and nature of available information, the outcome of certain procedural tasks, and on information that our procedures may reveal as our work progresses. CRI will work closely with the management and staff to make this engagement cost effective. Our work will be billed based on our standard hourly rates plus out-of-pocket expenses, up to a maximum of \$25,000 for the services listed above, our fee was based on our standard rates less a 15% professional discount. The above fee is based on anticipated cooperation from Town personnel and the assumption that unexpected circumstances will not be encountered.

Our proposed fee includes the following hours by level:

Partner	12 hours
Manager	48 hours
Senior	60 hours
Staff	48 hours

If significant additional time is necessary, we will discuss it with you and arrive at a new few estimate before we incur the additional costs.

For additional services outside the scope of this agreement, the fees will be negotiated separately. Hourly rates are based upon the experience of the personnel involved. Our current hourly rates by professional level for this engagement are:

Partner	\$350
Manager	\$215
Senior	\$150
Staff	\$120

Dispute Resolution

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediation will be administered by the American Arbitration Association under its *Dispute Resolution Rules for Professional Accounting and Related Services Disputes*. The costs of any mediation proceedings shall be shared equally by all parties.

Limitation of Liability

Except as provided in this agreement, CRI shall not be liable for incidental, consequential, exemplary, special, punitive or ancillary damages of any kind alleged as a result of any cause of action from this agreement, whether arising out of breach of contract, tort or otherwise. Unless otherwise stated in this agreement, both CRI and you agree that the total cumulative liability of CRI (including its employees, directors, officers or agents), shall not exceed the amount of fees earned by CRI related to this engagement during the twelve months preceding the event giving rise to the claim, as such amount shall serve as a reasonable prospective estimate of any damages which you may suffer through any breach by CRI of the terms of this agreement, as such damages may be speculative or impossible to calculate. If there are unpaid fees owed to CRI, this cumulative liability will be reduced by the value of the unpaid fees with no additional interest or charges, as CRI retains the right to offset any sums claimed as due and owed by you, by any sums to which it is legally entitled. This limitation shall apply whether or not further damages are foreseeable, or whether either party (or its employees, agents, officers or directors) have been advised of the possibility of such damages.

Governing Law; Venue

This agreement and performance hereunder shall be governed by the laws of the State of Alabama, without reference to any conflict of laws rules or principles. Any action or proceeding arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Coffee County, Alabama, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses to venue and jurisdiction including *forum non conveniens*.

Statute of Limitations

The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the contract) for the filing of any requests for arbitration, lawsuit, or proceeding related to this agreement. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the contract, whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services to your company, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools. While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

Should information become known that would make our continued involvement in this engagement inappropriate or should the parties involved in this matter change, we reserve the right to withdraw from this engagement.

This agreement contains a renewal provision, with an option for annual renewals beyond the initial two fiscal years of service. We appreciate the opportunity to be of service to the Town of Howey-in-the-Hills, Florida.

This agreement will become effective as soon as you sign and date the original and copy of this letter and return the signed copy to us with the retainer. If circumstances change, our agreement with you may need to be revised. It is customary for us to describe these revisions in an addendum to this letter.

Sincerely,

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Accepted by: Dairian Burke
 Town Clerk/Finance Director
 Town of Howey-in-the-Hills

The above letter confirms our understanding of the services which CRI will perform relating to the above referenced matter and the fee arrangement. Any professional responsibility CRI has to communicate information to us as a client will be discharged by communicating such information to the Clerk. Also, we agree to accept ultimate responsibility for payment of your fees, as described above and also agree to be bound to the terms of this engagement letter.

Signature: _____

Date: _____