



CliftonLarsonAllen LLP  
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# Statement of Work - Assertion Based Examination Services

This document constitutes a statement of work ("SOW") under the Audit Agreement #23-FIN01 dated October 3, 2023, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and City of Sanibel, 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 for the period October 1, 2022 to September 30, 2023.

Christopher Kessler is responsible for the performance of the examination engagement.

## **Examination services**

We will examine management's assertion that the entity complied with Section 218.415, Florida Statutes, regarding the investment of public funds during the period October 1, 2022 to September 30, 2023.

## **Examination objectives**

The objectives of our examination are to obtain reasonable assurance about whether management's assertion about the entity's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds is fairly stated.

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 the State of Florida Auditor General 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 Section 218.415, Florida Statutes, regarding the investment of public funds, 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 misstatement of management's assertion about the entity's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, 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 Section 218.415, Florida Statutes, regarding the investment of public funds 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 Section 218.415, Florida Statutes, regarding the investment of public funds. 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 Section 218.415, Florida Statutes, regarding the investment of public funds 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 Section 218.415, Florida Statutes, regarding the investment of public funds. You are responsible for, and agree to provide us with, a written assertion about the entity's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds. 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 Section 218.415, Florida Statutes, regarding the investment of public funds, 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 Section 218.415, Florida Statutes, regarding the investment of public funds.

You are responsible for the entity's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; 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 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 Section 218.415, Florida Statutes, regarding the investment of public funds, 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 Section 218.415, Florida Statutes, regarding the investment of public funds. 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 fee for the examination procedures is included in the audit fee in the separate Statement of Work for audit services. Our fee 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.

**Agreement**

We appreciate the opportunity to provide to you the services described in this SOW under the Audit Agreement #23-FIN01 and believe this SOW accurately summarizes the significant terms of our examination engagement. This SOW and the Audit Agreement #23-FIN01 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. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our examination services including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

**CliftonLarsonAllen LLP**

**CLA**  
CLA

**Client**  
City of Sanibel, Florida

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Christopher Kessler, Principal

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Dana Souza, City Manager

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Richard Johnson, Mayor