

FIRST AMENDMENT OF THE AGREEMENT FOR FINANCIAL  
AUDITOR - OTHER CONSTITUTIONAL OFFICES

THIS FIRST AMENDMENT OF THE AGREEMENT FOR FINANCIAL AUDITOR - OTHER CONSTITUTIONAL OFFICES is made and entered into by and between the Lee County Board of County Commissioners, a political subdivision of the State of Florida ("County") and Clifton Larson Allen, LLP ("Vendor"), collectively, the "Parties."

WHEREAS, the County entered into an Agreement to purchase financial auditor services for other constitutional offices through Solicitation No. RFP200390BAG with Vendor on the 7<sup>th</sup> day of June 2021 ("Agreement");  
and,

WHEREAS, after the execution of the Agreement, it was determined that it would be in the best interests of the County to add additional audit services to the Exhibit A Scope of Services, and the corresponding pricing to the Exhibit B Fee Schedule of the Agreement to comply with Government Accounting Standards Board requirements; and,

WHEREAS, the Parties desire to modify the Agreement pursuant to Article XVI. MISCELLANEOUS of the Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND THE MUTUAL COVENANTS CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

1. The Parties agree that the July 13, 2022 engagement letter provided by the Vendor shall be attached and incorporated herein as attachment A of the Amendment and shall supplement the Exhibit A Scope of Services of the Agreement. Any conflicts between Attachment A and the Agreement shall be interpreted in favor of the Agreement.
2. The Parties agree that the Exhibit B Fee Schedule shall be supplemented by the following additional rates and services:

[Remainder of the page left intentionally blank.]



Account Name                Lee Co Bd of Co Comm - Constitutional Officers  
Account Number            A132034  
Authorization Number      0001410512

Property Appraiser - Implementation of Statement on Auditing Standards 134 - As detailed in our engagement letter	1,200.00
Property Appraiser - Audit procedures related to the Property Appraiser's implementation of GASB 87 Leases during 2022 - as detailed in our engagement letter. See attached detail.	4,632.50
Sheriff - Implementation of Statement on Auditing Standards 134 - As detailed in our engagement letter	1,200.00
Sheriff - Audit procedures related to the Sheriff's implementation of GASB 87 Leases during 2022 - as detailed in our engagement letter. See attached detail.	8,617.50
Supervisor of Elections - Implementation of Statement on Auditing Standards 134 - As detailed in our engagement letter	1,200.00
Supervisor of Elections - Audit procedures related to the Supervisor's implementation of GASB 87 Leases during 2022 - as detailed in our engagement letter. See attached detail.	3,780.00
Tax Collector - Implementation of Statement on Auditing Standards 134 - As detailed in our engagement letter	1,200.00
Tax Collector - Audit procedures related to the Tax Collector's implementation of GASB 87 Leases during 2022 - as detailed in our engagement letter. See attached detail.	4,995.00

Entity	Task	Amount
Property Appraiser	Implementation of Statement on Auditing Standards 134	\$1,200.00
Property Appraiser	Audit procedures related to the Property Appraiser's implementation of GASB 87 Leases during 2022	\$4,632.50
Sheriff	Implementation of Statement on Auditing Standards 134	\$1,200.00
Sheriff	Audit procedures related to the Sheriff's implementation of GASB 87 Leases during 2022	\$8,617.50
Supervisor of Elections	Implementation of Statement on Auditing Standards 134	\$1,200.00
Supervisor of Elections	Audit procedures related to the Supervisor's implementation of GASB 87 Leases during 2022	\$3,780.00
Tax Collector	Implementation of Statement on Auditing Standards 134	\$1,200.00
Tax Collector	Audit procedures related to the Tax Collector's implementation of GASB 87 Leases during 2022	\$4,995.00
<b>Total</b>		<b>\$26,825.00</b>

GASB 87 Detail			
Level	Hours	Rate	Total Fee
<b>Supervisor of Elections</b>			
Principal	2.00	\$ 440.00	\$ 880.00
Senior	10.00	\$ 190.00	\$ 1,900.00
Staff	8.00	\$ 125.00	\$ 1,000.00
			<u><u>\$ 3,780.00</u></u>
<b>Property Appraiser</b>			
Principal	2.75	\$ 440.00	\$ 1,210.00
Senior	12.75	\$ 190.00	\$ 2,422.50
Staff	8.00	\$ 125.00	\$ 1,000.00
			<u><u>\$ 4,632.50</u></u>
<b>Tax Collector</b>			
Principal	3.25	\$ 440.00	\$ 1,430.00
Senior	13.50	\$ 190.00	\$ 2,565.00
Staff	8.00	\$ 125.00	\$ 1,000.00
			<u><u>\$ 4,995.00</u></u>
<b>Sheriff</b>			
Principal	4.25	\$ 440.00	\$ 1,870.00
Senior	30.25	\$ 190.00	\$ 5,747.50
Staff	8.00	\$ 125.00	\$ 1,000.00
			<u><u>\$ 8,617.50</u></u>

IN WITNESS WHEREOF, this First Amendment of the Agreement has been signed and sealed,  
in duplicate, by the respective parties hereto.

DATED this 15 day of MAY, 2023 by the Lee County Board of County  
Commissioners.

COUNTY: LEE COUNTY, FLORIDA

BY: 

Pete Winton

Chief Financial Officer and Assistant County  
Manager, on behalf of the Board of County  
Commissioners

APPROVED as to Form for the Reliance of  
Lee County Only

BY: 

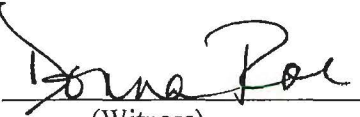
County Attorney's Office

DATED this 15 day of May, 2023 by Clifton Larson Allen, LLP

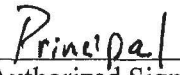
ATTEST:

BY: 

Authorized Signature

  
(Witness)

  
Authorized Signature Printed Name

  
Authorized Signature Title

CORPORATE SEAL:

## ATTACHMENT A



CliftonLarsonAllen  
<https://www.claconnect.com>

LLP

July 13, 2022

Honorable Board of County Commissioners and Management  
Lee County, Florida  
2115 Second Street  
Fort Myers, Florida 33901

This letter will serve as an addendum to our contracts for contracts #RFP200383BAG and #RFP200390BAG related to CliftonLarsonAllen LLP's ("CLA," "we," "us," and "our") audit of the Lee County, Florida ("you," "your," or "the entity") financial statements for the year ended September 30, 2022.

The purpose of this letter is to communicate, among other things, certain matters required by our professional standards, confirm our understanding of the scope and objectives of the engagement, identify the responsibilities of both CLA and the entity as it relates to the conduct of an audit.

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

### **Scope of audit services**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Lee County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements. We will also audit and report on the separate financial statements of the County's Constitutional Officers, the Lee County Port Authority, and the Statement of County Funded Court Related Functions required by Florida Statutes, Section 29.0085.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management's discussion and analysis.
2. GASB-required supplementary pension and OPEB schedules.

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

1. Schedule of expenditures of federal awards and state financial assistance

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2. Schedule of passenger facility charges collected and expended
3. Combining and individual fund schedules and statements
4. Schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill, if applicable

The following information other than RSI accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditors' report will not provide an opinion or any assurance on that information:

1. Introductory section
2. Statistical section
3. Other supplemental information

#### **Examination services**

We will examine your compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund; Section 288.8018(1), Florida Statutes, regarding the Deepwater Horizon oil spill; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets; for the year ended September 30, 2022.

#### **Audit objectives**

The objective of our audit is the expression of opinions about whether your basic 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). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General (State of Florida) for Local Governmental Entity Audits (Chapter 10.550). Our audit will include tests of your accounting records, a determination of major program(s) and state project(s) in accordance with the Uniform Guidance and Chapter 10.550, and other procedures we consider necessary to enable us to express opinions and render the required reports. 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.

The objectives of our audit also include:

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- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control over compliance related to major programs and state projects and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program and state project in accordance with the Uniform Guidance and on compliance with provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on each major Florida project in accordance with Chapter 10.550

The *Government Auditing Standards* 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 result 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 Uniform Guidance and Chapter 10.550 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs and state projects. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions on the financial statements or the single audit compliance opinion 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 or material noncompliance 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 or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

We also will issue a written report on our audit of the Statement of County Funded Court Related Functions required by Florida Statutes, Section 29.0085 upon completion of our audit.

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

**Auditor responsibilities, procedures, and limitations**

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

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- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance 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 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 opinions 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 basic 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 basic financial statements, including the amounts and disclosures, and whether the basic financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the 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.

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 or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550. 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 abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting 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 or on major programs and state projects. 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, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements and compliance 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. 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

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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*.

As required by the Uniform Guidance and Chapter 10.550, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program and state financial assistance project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and Chapter 10.550.

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 basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550.

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 fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

The Uniform Guidance and Chapter 10.550 require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major federal programs and has complied with applicable laws, regulations, and the provisions of contracts or grant agreements that may have a direct and material effect on each of the entity's major state financial assistance projects. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" and the Florida Department of Financial Services State Projects Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs and state projects. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs and state projects in our report on compliance issued pursuant to the Uniform Guidance and Chapter 10.550.

We will evaluate the presentation of the schedule of expenditures of federal awards and state financial assistance accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP, the Uniform Guidance, and Chapter 10.550, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation

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to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

We are also responsible for communicating certain matters in accordance with the provisions of Chapter 10.550, 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, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance and Chapter 10.550.

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.

Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, 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; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

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

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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, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; 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. Additionally, as required by the Uniform Guidance and Chapter 10.550, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on the first day of interim fieldwork.

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), and for ensuring management information and financial information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance Chapter 10.550; (3) additional information that we may request for the purpose of the audit; and (4) 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.

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance and Chapter 10.550; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance and Chapter 10.550; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.

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You agree to include our report on the schedule of passenger facility charges collected and expended in any document that contains and indicates that we have reported on the schedule of passenger facility charges collected and expended. You also agree to include the audited financial statements with any presentation of the schedule of passenger facility charges collected and expended that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of passenger facility charges collected and expended no later than the date the schedule of passenger facility charges collected and expended is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of passenger facility charges collected and expended in accordance with the Guide; (2) you believe the schedule of passenger facility charges collected and expended, including its form and content, is fairly presented in accordance with the Guide; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of passenger facility charges collected and expended.

Management is responsible for the preparation and fair presentation of other 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 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.

#### **Examination objective**

The objectives of our examination are (1) to obtain reasonable assurance about whether the entity complied with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 365.172(10) and

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365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund; Section 288.8018(1), Florida Statutes, regarding the Deepwater Horizon oil spill; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets (the identified Florida Statutes), in all material respects; and (2) to express an opinion in a written report about whether the entity complied with the identified Florida Statutes, 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.

We will issue a written report upon completion of the examination. 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. 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 noncompliance 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.

This report is intended solely for the information and use of the Lee County, Florida, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

#### **Our responsibilities**

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 identified Florida Statutes, 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 identified Florida Statutes 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 identified Florida Statutes. 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 identified Florida Statutes that we identify during the examination.

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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 identified Florida Statutes. You are responsible for, and agree to provide us with, a written assertion about the entity's compliance with the identified Florida Statutes. You are responsible for the design, implementation, and maintenance of effective 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 identified Florida Statutes, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (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 identified Florida Statutes.

You are responsible for the entity's compliance with the identified Florida Statutes; and for selecting the criteria and determining that such criteria are appropriate for your purposes. 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.

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 identified Florida Statutes, 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 identified Florida Statutes. 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.

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#### **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 to oversee the services.

#### **Use of financial statements**

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

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 financial statements should not be relied on or distributed.

#### **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.

At the conclusion of the audit engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the addressee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards and state financial assistance, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package

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must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

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 sensitive information, copies of our reports are to be made available for public inspection.

The audit and examination documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit and examination documentation and appropriate individuals will be made available upon request and in a timely manner to the oversight agency, or its designee; a federal or state agency providing direct or indirect funding; the U.S. Government Accountability Office; the Florida Department of Financial Services; or the Auditor General, State of Florida for purposes of a quality review of the audit and examination, to resolve audit or examination findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit and examination documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies of selected audit and examination documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit and examination 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 an oversight 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.

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 engagement letter 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/](http://www.CLAconnect.com/Aboutus/).

#### **Fees**

Our fees for these services related to the Board of County Commissioners, the Clerk of Circuit Court and Lee County Port Authority will not exceed \$405,000 in accordance with RFP200383BAG. Our fees for these services related to the Other Constitutional Offices will not exceed \$81,600 in accordance with RFP200390BAG. Should additional areas be required by the Rules of the Auditor General, this fee estimate will change. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require an increase in the fee estimate.

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Additionally, additional fees related to changes in professional standards and regulations and significant changes and impacts to County operations and activities for the year ended September 30, 2022 are itemized. The below items will be invoiced as the work is incurred and itemized separately on the invoices as rendered.

Service	Amount
<b>Implementation of <i>Statement on Auditing Standards 134</i></b>	\$1,200 per audit report issued (7 – BOCC, Port, each CO); \$8,400 total
<b>Audit procedures related to the County's implementation of GASB 87 Leases (will be invoiced hourly for time incurred that will be dependent on the number of leases and scope of audit procedures required to be performed at each CO, the Port Authority and the BOCC)</b>	Estimated as \$2,500 to \$25,000 per entity
<b>Audit of the County's American Rescue Plan Act Activity – Subject to actual activity</b>	\$10,000 - \$25,000
<b>Excess Major Single Audit Programs, Including Excess High-Risk Pandemic Related Major Programs</b>	\$7,500 - \$10,000 per program

#### ***Unanticipated services***

We do not anticipate encountering the need to perform additional services beyond those described in this letter. If any such service needs to be completed before the audit and examination can proceed in an efficient manner, we will determine whether we can provide the service and maintain our independence. If appropriate, we will notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

#### **Changes in engagement timing and assistance by your personnel**

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments
- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel

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- Restating financial statements for accounting errors in the prior year
- Lack of availability of entity personnel during audit fieldwork

***Changes in accounting, audit, and examination 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 letter 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 and in accordance with the purchase order terms outlined in the Lee County Standard Terms and Conditions, no increase in the quoted price will be authorized unless approved in writing by Lee County.

***Other fees***

You also 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 on your behalf.

***Finance charges and collection expenses***

You agree that if any statement is not paid within 45 days from invoice acceptance, the unpaid balance shall accrue interest in accordance with the Florida Government Prompt Payment Act, Florida Statutes 218.70-218.76 (2015).

***HIPAA Business Associate Agreement***

To protect the privacy and provide for the security of any protected health information, as such is defined by the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, and the regulations and policy guidance thereunder (HIPAA), we acknowledge that Lee County, Florida and CLA have entered into a HIPAA Business Associate Agreement (BAA) dated July 19, 2016.

Sincerely,

CliftonLarsonAllen LLP



Christopher Kessler, CPA  
Principal  
239-226-9903  
Chris.Kessler@CLAconnect.com

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**Response:**

This letter correctly sets forth the understanding of Lee County, Florida.

Authorized signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_