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CliftonLarsonAllen

CliftonLarsonAllen LLP
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February 1, 2013

Judith A. Zimomra, City Manager
City of Sanibel
800 Dunlop Road
Sanibel, Florida 33957

Dear Ms. Zimomra:

We are pleased that you and the City of Sanibel (City) have engaged CliftonLarsonAllen LLP (CliftonLarsonAllen) to render accounting services to collect data to assist management prepare the calculation of lost revenue associated with the BP/Deepwater Horizon Oil Spill . This letter confirms the scope and related terms of our engagement and the nature and limitations of the services we will provide.

Objectives of the engagement and services to be performed

We will provide accounting services that consist of collecting data from the City’s Comprehensive Annual Financial Reports, the Florida Department of Revenue, the Lee County Property Appraiser, and other sources as necessary for the calendar years 2007 through 2011 to allow City management to prepare the calculation of lost revenue associated with the BP/Deep Water Horizon Oil Spill.

CliftonLarsonAllen will not perform management functions or make management decisions on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its functions and making decisions.

City’s responsibilities

The City agrees to perform the following functions in connection with CliftonLarsonAllen’s provision of the accounting services:

- Make all management decisions and perform all management functions;
- Assign Sylvia A. Edwards, Finance Director, to oversee the accounting services and evaluate the adequacy and results of the services;
- Accept responsibility for the results of the accounting services.

CliftonLarsonAllen's responsibilities and limitations of the engagement

CliftonLarsonAllen will perform the services in accordance with applicable professional standards, including the Statements on Standards for Consulting Services issued by the American Institute of Certified Public Accountants.

This engagement is limited to the accounting services outlined above. CliftonLarsonAllen, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or performing management functions, including preparing a loss revenue analysis.



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Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

Martin A. Redovan is responsible for supervising the engagement.

Limitation of remedies

Our role is strictly limited to the engagement described in this letter, and we offer no assurance as to the results or ultimate outcomes of this engagement or of any decisions that you may make based upon our communications with or our reports to you. The City will be solely responsible for making all decisions concerning the contents of our communications and reports, for the adoption of any plans, and for implementing any plans you may develop, including any that we may discuss with you.

You agree that it is appropriate to limit the liability of CliftonLarsonAllen LLP (CliftonLarsonAllen), its partners, directors, officers, employees, and agents ("we" or "us"), and that this limitation of remedies provision is governed by the laws of the state of Florida, without giving effect to choice of law principles.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by us of our duties under this agreement, but any recovery on any such claims shall not exceed the fees actually paid under this agreement by you to CliftonLarsonAllen.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. We both agree that any action or legal proceeding by you against us must be commenced within the period of limitations as delineated in Florida Statute 95.11(4)(a), regardless of whether we do other services for you relating to the audit report, or shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

Fees

Our fees will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as word processing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the skill required. Based on our preliminary estimates, the fee for the accounting services should approximate \$8,000 (40 hours at \$200 per hour). If unexpected circumstances require significant additional time, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed, even if we have not issued our deliverables. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

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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. You and your attorney will receive a copy of every subpoena or request we are asked to respond to so you can control the costs of any discovery process or document request.

Subcontractors

CliftonLarsonAllen 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 CliftonLarsonAllen under this agreement. CliftonLarsonAllen will be as responsible for any act done by these subcontractors as it is for its personnel under this agreement.

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 the enclosed copy and return it to us.

Sincerely,

CliftonLarsonAllen LLP



Martin A. Redovan, CPA
Partner
239-226-9902
martin.redovan@cliftonlarsonallen.com

Enclosure

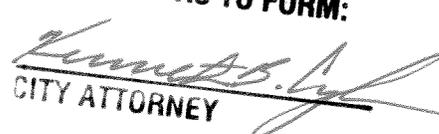
Response:

This letter correctly sets forth the understanding of City of Sanibel.

Authorized Signature: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

CITY ATTORNEY