

Waccasassa Water & Wastewater Cooperative Agenda

<https://w3cfl.org/>

October 20, 2026 @ 1:00 PM

510 3rd Street, Cedar Key, FL 32625

Cedar Key Water and Sewer District

CALL TO ORDER

PRAYER

PLEDGE OF ALLEGIENCE

ROLL CALL

ITEM 1: ADDITIONS, DELETIONS, CHANGES AND APPROVAL OF THE AGENDA

ITEM 2: CONSENT AGENDA

- Minutes from the September 15, 2026 Regular Cooperative Board Meeting (pp 2-4)
- Attorney Norm Fugate Statement for Legal Services Invoice #12391 – September 2026 = \$2,407.50 (pp 5-6)
- Dewberry Engineers Inc. Invoice for Professional Services Invoice #22494630 – February 28, 2026 thru March 20, 2026 = \$80,000.00 (p 7)
- FloridaCommerce Special District State Fee Invoice and Profile Update Invoice #95905 = \$175.00 (pp 8 – 11)
- Paxton Media Newspapers Invoice for Advertising Statement No. 28011 = \$18.45 (p 12)

ITEM 3: PUBLIC PARTICIPATION

ITEM 4: INFORMATIONAL ITEMS

- The W3C Virtual Meeting will be broadcast on YouTube.
 - Channel Name = Waccasassa Water and Wastewater Cooperative
 - Handle Name = @WaccasassaWaterandWastewaterCo
 - Channel Link =
<https://youtube.com/@waccasassawaterandwastewaterco?si=rEqxXtpKM5pqunKD>
 - We will Go Live at 1:00 PM

ITEM 5: NEW BUSINESS

- James Moore Audit Engagement Letter for year ending September 30, 2026 – 2027 – 2028 (pp 13-34)

ITEM 6: OLD BUSINESS

- Project Updates will be presented at the November board meeting.
 - Robert Beltran, PE, DBIA – Vice President, Business Unit Manager, Water Market Segment with Dewberry will attend remotely to answer questions.

ITEM 7: PUBLIC PARTICIPATION

ADJOURN

WACCASASSA WATER & WASTEWATER COOPERATIVE BOARD MEETING

<https://w3cfl.org/>

TUESDAY, SEPTEMBER 15, 2026

555 2ND AVENUE, OTTER CREEK, FL 32683

OTTER CREEK TOWN HALL

Roll Call:

- Zim Padgett, Town of Otter Creek Mayor
- Sue Colson, Cedar Key Water & Sewer District Board Member
- Norm Fugate, Attorney, Fugate & Fugate Law Firm
- Sherrie Yost, Administrator, Beauchamp & Edwards, CPAs

The meeting is called to order at approximately 1:00 PM. The prayer is led by Chair Zim Padgett. Roll call is taken. All members are present and accounted for.

ITEM 1: ADDITIONS, DELETIONS, CHANGES AND APPROVAL OF THE AGENDA

Sue Colson makes a motion to accept the agenda as presented. Zim Padgett seconds the motion. The motion passes.

ITEM 2: CONSENT AGENDA

- Minutes from the August 18, 2026 Regular Cooperative Board Meeting
- Minutes from the August 25, 2026 W3C – Town of Bronson Conflict Resolution Meeting
- Minutes from the August 25, 2026 W3C Special Meeting
- Attorney Norm Fugate Statement for Legal Services Invoice #12308 – August 2026 = \$1,777.50
- Beauchamp & Edwards, CPAs for Administration Services Invoice #28921 – April thru July 2026 = \$2,550.07

Sue Colson makes a motion to accept the consent agenda as presented. Zim Padgett seconds the motion. The motion passes.

ITEM 3: PUBLIC PARTICIPATION – N/A

ITEM 4: INFORMATIONAL ITEMS

- **W3C – Town of Bronson Conflict Resolution Meeting**
 - **Tuesday, August 25, 2026 @ 10:00 AM – 555 2nd Avenue, Otter Creek, FL 32683**
- The W3C Virtual Meeting will be broadcast on YouTube.
 - Channel Name = Waccasassa Water and Wastewater Cooperative
 - Handle Name = @WaccasassaWaterandWastewaterCo
 - Channel Link = <https://youtube.com/@waccasassawaterandwastewaterco?si=rEqxXtpKM5pqunKD>
 - We will Go Live at 1:00 PM

ITEM 5: NEW BUSINESS

- Resolution No. 2026-003 – Resolution to Authorize the State Revolving Fund (SRF) Loan for the Facilities Plan for Drinking Water

Sue Colson makes a motion to approve the authorization of the SRF Loan for the Facilities Plan for Drinking Water. Zim Padgett seconds the motion. The motion passes.

- Resolution No. 2026-004 – Resolution to Adopt the Levy County Mitigation Strategies Plan

Sue Colson makes a motion to approve the adoption of the Levy County Local Mitigation Strategies Plan. Zim Padgett seconds the motion. The motion passes.

ITEM 6: OLD BUSINESS

- MuniCreative website maintenance and hosting agreement renewal proposal
 - Invoice #INV-07202026 = \$625.00 (paid quarterly) **OR**
 - Invoice #INV-08202026 = \$2,000.00 (paid annually = 20% discount)

Zim Padgett makes a motion to approve the website maintenance and hosting agreement with MuniCreative, to elect the annual payment option and to approve payment for Invoice #INV-08202026. Sue Colson seconds the motion. The motion passes.

- Proposal from Gator Works (in conjunction with MuniCreative) to provide IT services and Email management (p 26)
 - \$54.00/hr. for in-shop support
 - \$150.00/hr. for onsite support – as needed
 - No minimum monthly fee required to retain service
- Proposal from Emerald Data Partners to provide IT Services and Email management (pp 27-43)
 - Service start = \$1,500.00
 - Monthly Support = \$599.20

The Board has requested additional time to review the information for IT Services and will hold off on a decision until a future meeting.

Project Updates: The full slide presentation provided by Dewberry can be found on the W3C website at: <https://w3cfl.org/agendas/> Scroll down to Regular Cooperative Meeting – September 15, 2026 and click on the corresponding icon listed under Project Updates.

Robert Beltran presents project updates, which includes funding updates. SAM.gov registration is in process for W3C. Shannon Williams will keep the Board updated on status and potential approval.

There is discussion among the Board about the next meeting with the Town of Bronson. All members of the Town of Bronson Town Council are required to attend.

A consensus motion to move forward with scheduling the next meeting with the Town of Bronson for possibly the beginning of October. The motion passes.

ITEM 7: PUBLIC PARTICIPATION – Joe Hand, with Cedar Key Water and Sewer District (CKWSD) states that W3C and the Town of Bronson were going to provide a number for the possible land purchase. Attorney Fugate states it is still in process.

Joe Hand states that Cedar Key Water and Sewer District (CKWSD) wants to expand their service area and that a special district has to go back to state legislators to get approval to make changes. It was mentioned there may be a chance once you open that process up, that legislators may not approve the changes and once opened, may make additional changes (including removal of taxing authority status). Robert Beltran states legislatures can pass legislation at any time that may affect a special district, regardless of whether the special district is wanting to make changes or not.

The meeting is adjourned at approximately 2:36 PM.

Norm D. Fugate, P.A.

Post Office Box 98
Williston, Florida 32696

Waccasassa Water & Wastewater Coop
Post Office Box
Bronson, Florida 32621

352-528-0019

September 29, 2026

12391

Statement of Fees For Legal Services Rendered in the Following Matters:

DATE	DESCRIPTION	HOURS	AMOUNT	ATTY/ASST
Sep-01-26	Receive and review email request for legal opinion letter and resolution; email discussions with Dewberry; draft documents	1.00	225.00	NF
Sep-02-26	Receive, review and advise on email from admin regarding providing grant information to Bronson attorney	0.30	67.50	NF
Sep-08-26	Receive and review email from admin regarding Final Disbursement request	0.40	90.00	NF
	Forward map to realtor; email communications to discuss locations	0.40	90.00	NF
Sep-09-26	Receive and review application for BRIC grant	0.50	112.50	NF
	Preparation for, travel to and attendance at Emergency Management meeting; fill out LMS project list worksheet; communications with Levy County Emergency Management	1.50	337.50	NF
	Follow up email on progress for SAM registration; research website and registration process	1.00	225.00	NF

	Provide response and documents to Dewberry regarding SAM registration	0.40	90.00	NF
Sep-11-26	Weekly Teams meeting with Dewberry	0.50	112.50	NF
Sep-15-26	Preparation for, travel to and attendance at monthly meeting	2.50	562.50	NF
Sep-16-26	Draft letter regarding joint public meeting between W3C and Town of Bronson; mail out letter via certified mail	0.70	157.50	NF
Sep-18-26	Communications with Dewberry regarding SAM registration requirements	0.80	180.00	NF
Sep-23-26	Follow up email sent to Bronson attorney regarding joint public meeting notice sent to Bronson.	0.20	45.00	NF
Sep-24-26	Weekly Teams meeting with Dewberry	0.50	112.50	NF
Total Hours and Fees		10.70	<u>\$2,407.50</u>	
Paid From Trust				<u>\$0.00</u>
Total Due				<u>\$2,407.50</u>

Invoice

Please remit to:

Dewberry Engineers Inc.

P.O. Box 821824
Philadelphia, PA 19182-1824
(703)849-0100 TIN:13-0746510



Waccasassa Water and Wastewater Cooperative
PO Box 400
Bronson, FL 32621

June 30, 2026
Project No: 50182367.000
Invoice No: 22494630
Due Date: July 30, 2026

Project Manager ROBERTO BELTRAN JR.

Project 50182367.000 W3C Facility Plan for Drinking W-WW,SRF
Professional Services from February 28, 2026 to March 20, 2026

Phase 0001 LUMP SUM
Fee

Billing Phase	Fee	Pct Comp	Amount Earned	Previously Billed	Current Fee
Meetings & Coordination	20,600.00	100.00%	20,600.00	10,922.38	9,677.62
Sampling/Testing Existing Prod. Well	24,440.00	100.00%	24,440.00	7,000.00	17,440.00
Geophysical Logging	5,575.00	100.00%	5,575.00	0.00	5,575.00
Upper Floridian Aquifer Testing Program	42,366.00	100.00%	42,366.00	40,761.62	1,604.38
Funding Applications & Advocacy	17,343.00	100.00%	17,343.00	17,343.00	0.00
Financial Feasibility	53,690.00	100.00%	53,690.00	26,266.00	27,424.00
Final Report	35,986.00	100.00%	35,986.00	17,707.00	18,279.00
Total Fee	200,000.00		200,000.00	120,000.00	80,000.00
Total Fee					80,000.00

Total Invoice Amount Due 80,000.00

FloridaCommerce, Special District Accountability Program**Fiscal Year 2026 - 2027 Special District State Fee Invoice and Profile Update**

Required by sections 189.064 and 189.018, Florida Statutes, and Chapter 73C-24, Florida Administrative Code

Date Invoiced: 10/01/2026				Invoice No: 95905
Annual Fee: \$175.00	1st Late Fee: \$0.00	2nd Late Fee: \$0.00	Received: \$0.00	Total Due, Postmarked by 11/30/2026: \$175.00

STEP 1: Review the following profile and make any needed changes.**1. Special District's Name, Registered Agent's Name and Registered Office Address:**

001975

Waccasassa Water and Wastewater Cooperative

Mr. Norm Fugate

248 NW Main Street

Williston, Florida 32696

**2. Telephone:** 352-528-0019 Ext:**3. Fax:****4. Email:** norm@normdfugatepa.com**5. Status:** Independent**6. Governing Body:** Appointed**7. Website Address:** w3cfl.org**8. County(ies):** Levy**9. Special Purpose(s):** Water and/or Wastewater Systems**10. Boundary Map on File:** 06/07/2024**11. Creation Document on File:** 06/07/2024**12. Date Established:** 06/12/2023**13. Creation Method:** General Law**14. Local Governing Authority:** Towns of Bronson and Otter Creek**15. Creation Document(s):** Interlocal Agreement Dated as of June 13, 2023 (Town of Bronson, Town of Otter Creek, and Cedar Key Water and Sewer District)**16. Statutory Authority:** Section 163.01, Florida Statutes**17. Authority to Issue Bonds:** Yes**18. Revenue Source(s):** Bond Issuer Fees, Fees, Grants**STEP 2:** Sign and date to certify accuracy and completeness.

By signing and dating below, I do hereby certify that the profile above (changes noted if necessary) is accurate and complete:

Registered Agent's Signature: _____ Date _____

STEP 3: Pay the annual state fee or certify eligibility for zero annual fee.**a. Pay the Annual Fee:** Pay the annual fee by following the instructions at www.FloridaJobs.org/SpecialDistrictFee.**b. Or, Certify Eligibility for the Zero Fee:** By initialing both of the following items, I, the above signed registered agent, do hereby certify that to the best of my knowledge and belief, **BOTH** of the following statements and those on any submissions to the Department are true, correct, complete, and made in good faith. I understand that any information I give may be verified.

1. ___ This special district is not a component unit of a general purpose local government as determined by the special district and its Certified Public Accountant; and,

2. ___ This special district is in compliance with its Fiscal Year 2024 - 2025 Annual Financial Report (AFR) filing requirement with the Florida Department of Financial Services (DFS) and that AFR reflects \$3,000 or less in annual revenues or, is a special district not required to file a Fiscal Year 2024 - 2025 AFR with DFS and has included an income statement with this document verifying \$3,000 or less in revenues for the current fiscal year.

Department Use Only: Approved: ___ Denied: ___ Reason: _____

STEP 4: Make a copy of this document for your records.**STEP 5:** Email this document to SpecialDistricts@Commerce.fl.gov or mail it to us. For our mailing address, visit www.FloridaJobs.org/SpecialDistrictFee. Direct questions to 850-717-8430.

001975000201



MEMORANDUM

To: All Special District Registered Agents
From: Paola Muir, Special District Accountability Program
Date: October 1, 2026
Subject: Sections 189.064 and 189.018, Florida Statutes, and Chapter 73C-24, Florida Administrative Code - Fiscal Year 2026 – 2027 Special District State Fee Invoice and Profile Update
Due by 11:59 p.m. on November 30, 2026

This memorandum contains the guidance for complying with the annual state fee and update requirements using the enclosed *Fiscal Year 2026 – 2027 Special District State Fee Invoice and Profile Update* (invoice).

The Annual State Fee

Chapter 189, Florida Statutes, the Uniform Special District Accountability Act (Act), assigns duties to the Special District Accountability Program administered by FloridaCommerce and requires FloridaCommerce to annually collect a state fee from each special district to cover the costs of administering the Act. For additional information, visit www.FloridaJobs.org/SpecialDistricts.

The Fiscal Year 2026 – 2027 state fee is now due and remains \$175, unless the special district certifies that it is eligible for a zero annual fee by executing "Step 3.b." on the invoice. FloridaCommerce requests payment by Visa, MasterCard or electronic check at www.FloridaJobs.org/SpecialDistrictFee. This website is the only acceptable portal for paying the state fee, and is fast, free and convenient. From this website, you may also download a duplicate invoice and FloridaCommerce's W-9 Form. Payment must be completed by 11:59 p.m. on November 30, 2026. Otherwise, a \$25 late fee will automatically be assessed on December 1, 2026. **Late fees are authorized by law and will not be waived by FloridaCommerce.**

Update Requirements

The Act, along with Rule Chapter 73C-24, Florida Administrative Code, requires each special district to maintain and update specific information with FloridaCommerce and requires FloridaCommerce to make that information available through the *Official List of Special Districts* (www.FloridaJobs.org/OfficialList). The Florida Legislature, state agencies, and local government officials use that information to monitor special districts, coordinate activities, collect and compile financial and other information, and make informed policy decisions. To help ensure completeness and accuracy, each special district's registered agent must annually review the profile printed on the invoice, identify any needed corrections or updates by marking directly on the invoice, provide any missing information, sign and date the invoice and return the invoice to FloridaCommerce at SpecialDistricts@Commerce.fl.gov.

The Florida Special District Handbook

The *Florida Special District Handbook* (www.FloridaJobs.org/SpecialDistrictHandbook), recently updated for 2026, covers the accountability and general operating requirements specified in the Act. FloridaCommerce encourages all special district staff and governing body members to regularly review the handbook.

Thank You

Thank you in advance for complying with the state fee and profile update requirements. Detailed instructions follow on the opposite side of this memorandum.

(TURN OVER FOR INSTRUCTIONS)

Instructions: Complete the following five steps by 11:59 p.m. on November 30, 2026:

STEP 1: Review the special district's profile on the invoice:

- ☐ Directly on the invoice, identify any needed changes by striking through the outdated or incorrect information and hand-writing the new or correct information.
- ☐ Complete any missing or unknown information.
- ☐ Provide any noted missing documents, such as the boundary map, creation document or amendments not referenced on the profile.

STEP 2: Certify accuracy and completeness by signing and dating where indicated.

STEP 3: Pay the state fee, or certify eligibility for the zero annual fee:

- ☐ **STEP 3.a.: If paying the state fee:**
 - ☐ Pay with a Visa, MasterCard or electronic check by visiting the official state fee website listed below and following the instructions.
 - ☐ Write "Paid Online" on the invoice.
 - ☐ In the event of a hardship preventing online payment, visit the official state fee website listed below and see, "Instructions for Paying by Check".
- ☐ **STEP 3.b.: If certifying eligibility for the zero annual fee pursuant to Rule 73C-24.003(3)(e), Florida Administrative Code:**
 - ☐ Initial **both** statements.
 - ☐ For those special districts not required to file an Annual Financial Report covering Fiscal Year 2024 – 2025 (e.g., newly created special districts or housing authorities), provide an income statement verifying \$3,000 or less in revenues for the current fiscal year.

STEP 4: Make a copy of the completed invoice for your records.

STEP 5: Email the completed invoice and any other requested documents to SpecialDistricts@Commerce.fl.gov.

Official State Fee Website (process payment and download a duplicate invoice, previous memorandums and instructions, and FloridaCommerce's W-9 Form)

www.FloridaJobs.org/SpecialDistrictFee

Special District Accountability Program Contact

Paola Muir
850-717-8471
SpecialDistricts@Commerce.fl.gov



Paxton Media Newspapers
Citrus County Chronicle
PO Box 1200
Paducah, KY 42002-1200

ADVERTISING INVOICE / STATEMENT

BILLING DATE	TERMS OF PAYMENT
9/27/2026	NET30

Waccasassa Water & Wastewater Cooperative
PO Box 400
Bronson, FL 32621

STATEMENT NO.	AGENCY/CLIENT
28011	109145
NAME OF AGENCY/CLIENT	
Waccasassa Water & Wastewater Cooperative	

Balance Forward 18.45

Current	AGING			
	31 to 60	61 to 90	91 to 120	121 and older
\$ 18.45	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

TOTAL NET AMOUNT DUE
\$ 18.45

PLEASE RETURN THIS PORTION
WITH YOUR REMITTANCE

If you desire to charge this amount to your credit card, please complete the following information
and return to the address below: ☐ Visa ☐ Mastercard ☐ Discover ☐ American Express
Acct# _____ Exp Date: _____
Signature _____ CVV: _____

BILLED ACCOUNT NO.	BILLED ACCOUNT NAME	AMOUNT DUE
199 109145	Waccasassa Water & Wastewater Cooperative	\$ 18.45

199000109145000001845

REMIT TO	
Paxton Media Newspapers c/o Paxton Media Group PO Box 1200 Paducah, KY 42002-1200 Phone: 270-575-8731 Fax: 270-575-8726	
 Pay online https://pax.navigahub.com/portals/client/pax/	

Payment in full is due upon receipt of the statement. A service charge on all balances over 30 days will be computed by a 'Periodic Rate' of 1-1/2% per month, which is an ANNUAL PERCENTAGE RATE OF 18%, this applies to the previous balance after deducting current payments and credits appearing on your statement. Refunds less than \$10.00 will be refunded electronically, donated to NIE, or collected in cash at the newspaper.

Remittance Advice

Billing Date
9/27/2026

000109145000001845



October 14, 2026

To the Governing Board,
Waccasassa Water and Wastewater Cooperative:

You have requested that we audit the financial statements of the Waccasassa Water and Wastewater Cooperative (the Cooperative) as of September 30, 2026, 2027 and 2028, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements as listed in the table of contents.

In addition, if applicable, we will audit the Cooperative's compliance over major federal award programs and major state projects for the years ended September 30, 2026, 2027 and 2028. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Cooperative's major federal award programs and major state projects.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), and in accordance with Government Auditing Standards, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the Cooperative complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information, such as management's discussion and analysis (MD&A) or budgetary comparison information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's discussion and analysis

If applicable, Supplementary information other than RSI will accompany the Cooperative's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in

our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with GAAS. We intend to provide an opinion on whether the following supplementary information is presented fairly in all material respects in relation to the basic financial statements as a whole:

1. Schedule of expenditures of federal awards and state financial assistance (if applicable)

Data Collection Form

If applicable, prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility, if the Data Collection Form is applicable. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form, if applicable, is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance with GAAS and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America (if applicable); the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance) (if applicable); Section 215.97, Florida Statutes, *Florida Single Audit Act* (if applicable), and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General (if applicable). As part of an audit of financial statements in accordance with GAAS, and in accordance with Government Auditing Standards, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control 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 Cooperative's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the 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 financial statements, including the disclosures, and whether the 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 Cooperative's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Cooperative's basic financial statements. Our report will be addressed to the governing body of the Cooperative. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General upon completion of our audit.

Reporting on Key Audit Matters

Management has not requested that we communicate key audit matters in our auditors' report for this fiscal year.

Significant Risks Identified

We have identified the following preliminary significant risks of material misstatement as part of our audit planning, which are being communicated to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Improper use of restricted resources

Our final communication of significant risks identified will take place upon completion of our audit.

Audit(s) of Major Program and/or Major Project Compliance

If applicable, our audit(s) of the Cooperative's major federal award program(s) and/or state project(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General; and will include tests of accounting records, a determination of major programs and/or projects in accordance with the Uniform Guidance, Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other procedures we consider necessary to enable us to express such an opinion on major federal award program and/or major state project compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Cooperative's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Cooperative's compliance with the requirements of the federal programs as a whole.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Cooperative's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the Cooperative's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the Cooperative's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Cooperative's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major state projects, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Cooperative's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,

Government Auditing Standards, and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Cooperative's compliance with the requirements of the state projects as a whole.

Our procedures will consist of tests of transactions and other applicable procedures described in the State of Florida State Projects Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Cooperative's major state projects, and performing such other procedures as we consider necessary in the circumstances. The purpose of these procedures will be to express an opinion on the Cooperative's compliance with requirements applicable to each of its major state projects in our report on compliance issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

Also, as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we will obtain an understanding of the Cooperative's internal control over compliance relevant to the audit in order to design and 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 compliance requirements applicable to each major state project. 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 Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

As part of a compliance audit in accordance with GAAS, and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Cooperative's major federal award programs and/or major state projects, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and state financial assistance expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;

5. For preparing the schedule of expenditures of federal awards and/or state financial assistance (including notes and noncash assistance received) in accordance with the Uniform Guidance (if applicable) and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requirements (if applicable);
6. For the design, implementation, and maintenance of internal control over federal awards, state financial assistance, and compliance;
7. For establishing and maintaining effective internal control over federal awards and state financial assistance that provides reasonable assurance that the Cooperative is managing federal awards and state projects in compliance with federal and state statutes, regulations, and the terms and conditions of the federal awards and state financial assistance;
8. For identifying and ensuring that the Cooperative complies with federal laws and state statutes, regulations, and the terms and conditions of federal award programs and state financial assistance projects and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and state financial assistance projects;
9. For disclosing accurately, currently, and completely the financial results of each federal award and major state project in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including the disclosures, and relevant to federal award programs and state financial assistance projects, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the Cooperative and others from whom we determine it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report
17. For 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 current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the Cooperative involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on compliance;

21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information;
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter; and
24. For identifying and ensuring that the Cooperative complies with applicable laws, regulations, contracts, agreements, and grants.
25. Additionally, it is management's responsibility to follow up and take 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 fieldwork.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Additional Examination Engagements

You have requested that we examine the Cooperative's compliance for the fiscal years ended September 30, 2026, 2027 and 2028, with the following statutes (collectively, "the Statutes"):

- Section 218.415, Florida Statutes, *Local Government Investment Policies*

We are pleased to confirm our acceptance and our understanding of this direct examination engagement by means of this letter. Our examination will be conducted with the objective of obtaining reasonable assurance by evaluating whether the Cooperative complied in all material respects with the Statutes and performing other procedures to obtain sufficient appropriate evidence to express an opinion in a written practitioner's report that conveys the results of our evaluation.

Practitioner Responsibilities

We will conduct our examination in accordance with the attestation standards established by the AICPA. An examination involves performing procedures to obtain attest evidence about whether the Cooperative complied with the Statutes, in all material respects. An examination involves performing procedures to obtain evidence about the Cooperative's compliance with the Statutes. The nature, timing, and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement of the underlying subject matter, whether due to fraud or error.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

However, we will inform you of any material noncompliance with laws or regulations, uncorrected misstatements, fraud, and when relevant to the underlying subject matter or subject matter information, internal control deficiencies that comes to our attention, unless clearly inconsequential.

Management Responsibilities

Our examination will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For ensuring the Cooperative complies with the Statutes;
2. For the design, implementation, and maintenance of internal control to prevent, or detect and correct, misstatement of or noncompliance with the Statutes, due to fraud or error;
3. For selecting the criteria for the evaluation of the Cooperative's compliance with the Statutes;
4. Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement; and
5. To provide us with:
 - a. Access to all information of which management is aware that is relevant to compliance with the Statutes, such as records, documentation, and other matters and that you are responsible for the accuracy and completeness of that information;
 - b. Additional information that we may request from management for the purpose of the examination; and
 - c. Unrestricted access to persons within the Cooperative from whom we determine it necessary to obtain attest evidence.

As part of our examination process, we will request from you written confirmation concerning representations made to us in connection with the examination.

Reporting

We will issue a written report upon completion of our examination of the Cooperative's compliance with the Statutes. Our report will be addressed to the governing body. 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, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Nonattest Services

We will perform the following nonattest services: preparation of financial statements, preparation of schedule of expenditures of federal awards and state financial assistance and data collection form (if applicable). With respect to any nonattest services we perform, we will not assume management responsibilities on behalf of the Cooperative. However, we will provide advice and recommendations to assist management of the Cooperative in performing its responsibilities. The Cooperative's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual (Robert Beauchamp) to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, establishing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the engagement are as follows. We will perform the services in accordance with applicable professional standards. This engagement is limited to the services previously outlined. Our firm, 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 assuming management responsibilities, including determining account coding and approving journal entries. Our firm may advise

the Cooperative with regard to different matters, but the Cooperative must make all decisions with regard to those matters.

Any nonattest services performed by us do not constitute an audit performed in accordance with *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents or support for any other transactions we select for testing.

We do not host, are not the custodian of, and accept no responsibility for your financial and non-financial data. You acknowledge that you have sole responsibility for the storage and preservation of your financial and non-financial data.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors' report to the date the financial statements are issued.

Zach Chalifour is the service leader for the audit services specified in this letter. The service leader's responsibilities include supervising the services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the reports.

Our fees for the audit of the financial statements and related services, including expenses, for each of the fiscal years included in this engagement are as follows:

Year Ending September 30,	Audit Fee
2026	\$15,000
2027	\$15,000
2028	\$15,000

Our fees for services are based on the existing state of the Cooperative, whereby no capital assets have been acquired by the Cooperative and there are no utility customers. We estimate the following future fee adjustments to be applicable if and when such events take place:

- Acquisition of utility system: one-time fee of \$3,500 per utility system acquired
- Scale-up of customer activity: 75-100% increase to base audit fee
- Applicability of federal or state single audit: \$4,000 fee per major program tested

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Cooperative's records, and, for example, the number of general ledger adjustments required as a result of our work. We will also need your personnel to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance may result in an increase of our fees.

Except for the above reasons outlined related to the upward scaling of the Cooperative's activity, we will not increase the fee over the agreed amount as long as the scope of the audit is consistent with the scope

outlined in the Request for Proposal. The Cooperative is not completely in control of the scope of work for future years. Significant required changes may be mandated by federal, state, other regulatory agencies or accounting and auditing standards boards or by significant staff changes within the Cooperative. For these reasons, if the scope of the audit changes significantly from the scope outlined in the RFP, we would present for approval, prior to commencing work, why an adjustment in fee is warranted.

This engagement may be terminated by either party for noncompliance with the terms as noted in this engagement letter. The parties will provide 60 days' notice of their intention to terminate the engagement. Upon completion of this engagement with the audit for the year ended September 30, 2028, new engagements can be entered into for up to two additional three-year periods, at the option of both parties. Any such engagements will be evidenced by a new engagement letter.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Cooperative's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

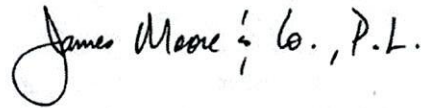
The audit documentation for this engagement is the property of James Moore & Co., P.L. and constitutes confidential information. However, we may be requested to make certain audit documentation available to a grantor or their designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by laws or regulation, or to peer reviews. If requested, access to such audit documentation will be provided under the supervision of James Moore & Co., P.L. personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

In the normal course of business, we use the services of third parties and individual contractors, which are not employees of James Moore & Co., P.L. Those services are performed at various levels and in various aspects our engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement we may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require us to handle confidential information and we expect third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, we require those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such information. Your acceptance of this arrangement acknowledges and accepts our handling of confidential information including access by third-party and individual service providers.

Waccasassa Water and Wastewater Cooperative
October 14, 2026
Page 11

We appreciate the opportunity to be of service to the Waccasassa Water and Wastewater Cooperative 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.

Very truly yours,

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

JAMES MOORE & CO., P.L.

RESPONSE:

This letter correctly sets forth the understanding of the Waccasassa Water and Wastewater Cooperative.

By _____

Title _____

Date _____

WARREN, STONE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

Report on the Firm's System of Quality Control

April 23, 2024

To the Members of
James Moore & Co., P.L.
and the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. (the firm) in effect for the year ended October 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. in effect for the year ended October 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. James Moore & Co., P.L. has received a peer review rating of *pass*.

Warren, Stone & Associates, LLC

Warren, Stone & Associates, LLC

**Attachment A James Moore and Co., P.L.
Standard Terms and Conditions**

The terms and conditions set forth below are incorporated into the engagement letter pursuant to which James Moore & Co., P.L. ("JMCO", the "Firm", us and we) will provide services.

1. **Management's Responsibilities** – Management of Client is responsible for establishing and maintaining an effective internal control system. JMCO services may include advice and recommendations which management may or may not adopt. Client's management shall be fully and solely responsible for applying independent business judgment with respect to the services and work product provided by JMCO, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports, or other work product or deliveries to Client. Management is responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the engagement to JMCO. Client should retain all the documents, canceled checks, and other data that form the basis of income and deductions. If the engagement also includes tax services, these records may be necessary to prove the accuracy and completeness of tax returns to a taxing authority. Client has final responsibility for the tax return(s) and therefore should review the return(s) carefully before signing and filing.
2. **Responsible Person** – Client designates the individual signing the engagement letter ("Representative") as the individual to whom JMCO should look to provide information, communicate, and answer questions. Client understands that JMCO will rely on the Representative designated above and that decisions by the Representative may be beneficial to some and detrimental to others. JMCO is directed to rely on the Representative for all Client decisions including but not limited to tax treatments, allocation of income and expense items, tax elections and accounting treatments. All communication with the Representative is deemed to be communication with Client.
3. **Advice in Writing** – JMCO only provides advice for Client to rely upon in writing. Casual discussions of tax, accounting or other issues and informal communication are not advice upon which Client can rely. Client agrees that the only advice from JMCO upon which Client may rely is written advice received from JMCO on our letterhead or via e-mail individually addressed to Representative or an individual member of the Client (newsletters and the like are not advice upon which Client may rely).
4. **Unencrypted E-Mail Use Authorized for Communication** – In connection with this engagement, JMCO may communicate with Client or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, JMCO cannot guarantee or warrant that e-mails from JMCO will be properly delivered and read only by the addressee. Therefore, JMCO specifically disclaims and waives any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions or for the unauthorized use or failed delivery of e-mails transmitted by JMCO in connection with the performance of this engagement. In that regard, Client agrees that JMCO shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information. During the term of this engagement Client may elect by notification in writing to JMCO to suspend or terminate the use of e-mail. Similarly, text messages present special issues for our profession, and we ask that you refrain from engaging with JMCO via text message.
5. **Cooperation** – Client agrees to cooperate with JMCO in the performance of JMCO services for the Client, including providing JMCO with reasonable facilities and timely access to Client's data, information and personnel. Client shall be responsible for the performance of Client's employees and agents and for the accuracy and completeness of all data and information provided to JMCO for purposes of this engagement. In the event that JMCO is unable to obtain required information on a timely basis JMCO may revise its estimate of fees, alter the services provided and/or terminate the engagement.

6. **Payment of Invoices** – JMCO will bill Client for professional services, expenses, and out-of-pocket costs on a monthly basis. Payment is due within 30 days of the date on the billing statement. JMCO reserves the right to suspend work or terminate the engagement in the event that payment is not received within 30 days of the date on the billing statement. JMCO may also suspend work or terminate the engagement if information furnished is not satisfactory for JMCO to perform work on a timely basis. JMCO will notify Client if work is suspended or terminated. If JMCO elects to terminate or suspend the engagement for nonpayment or for any other reason provided for in this letter, the engagement will be deemed to have been completed for purposes of payment due from Client. Upon written notification of termination or suspension, even if JMCO has not released work product, Client will be obligated to compensate JMCO for all time expended and to reimburse JMCO for all out-of-pocket costs through the date of termination or suspension. Suspension of work or termination of services may result in missed deadlines, penalties/interest along with other consequences and Client agrees that suspended work or termination of services shall not entitle Client to recover damages from JMCO. All fees, charges and other amounts payable to JMCO hereunder do not include any sales, use, value added or other applicable taxes, tariffs or duties, payment of which shall be the sole responsibility of Client, excluding any applicable taxes based on JMCO's net income or taxes arising from the employment or independent contractor relationship between JMCO and JMCO's personnel. A late payment charge of 1½% per month will be assessed on any balance that remains unpaid after deduction of current payments, credits, and allowances after 90 days from the date of billing. This is an Annual Percentage Rate of 18%.
7. **Electronic Data Communication** – In the interest of facilitating our services to you, JMCO may send data over the Internet, 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 Client may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data. In using these data communication and storage methods, JMCO employs measures designed to maintain data security. We make reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same. You recognize and accept that we have no control over 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.
8. **Confidential & Proprietary Information** – Client and JMCO both acknowledge and agree that all information communicated by one party (the "Disclosing Party") to the other (the "Receiving Party") in connection with this engagement shall be received in confidence, shall be used only for purposes of this engagement, and no such confidential information shall be disclosed by the Receiving Party or its agents or personnel without the prior written consent of the other party. Except to the extent otherwise required by applicable law or professional standards, the obligations under this section do not apply to information that: (a) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party, (b) was known to the Receiving Party or had been previously possessed by the Receiving Party without restriction against disclosure at the time of receipt thereof by the Receiving Party, (c) was independently developed by the Receiving Party without violation of this engagement letter or (d) Client and JMCO agree from time to time to disclose. Each party shall be deemed to have met its nondisclosure obligations under this paragraph as long as it exercises the same level of care to protect the other's information, except to the extent that applicable law, regulations or professional standards impose a higher requirement. JMCO may retain, subject to the terms of this Paragraph, one copy of Client's confidential information required for compliance with applicable professional standards or internal policies. If either Client or JMCO receives a subpoena or other validly issued administrative or judicial demand requiring it to disclose the other party's confidential information, such party shall (if permitted to do so) provide written notice to the other of such demand in order to permit it to seek a protective order. So long as the notifying party gives notice as provided herein, the notifying party shall be entitled to comply with such demands to the extent permitted by law, subject to any protective order or the like that may have been entered into in the matter. In the event that Client wishes to assert a privilege or Client fails to respond and JMCO asserts the privilege on Client's behalf, Client agrees to pay for all expenses incurred by JMCO in defending the privilege, including, by way of illustration only, JMCO's attorney's fees, court costs, outside adviser's costs, penalties and fines imposed as a result of Client asserting the privilege or Client's direction to JMCO to assert the privilege. JMCO's techniques, judgments, methodology, and practices relating to its engagement practices are agreed by Client and JMCO to constitute proprietary confidential business information in the nature of trade secrets, security measures, systems and procedures which are in the nature of competitive interests which would impair the competitive business of JMCO should the information be released. Notwithstanding the foregoing, the terms of this paragraph shall not apply to contravene any statute or regulation.

9. Disclosures –

- a. Certain communications involving advice are privileged and not subject to disclosure. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, Client, Client's employees or Client's agents may be waiving this privilege. To protect this right to privileged communication, please consult with JMCO or an attorney prior to disclosing any information about JMCO advice. Should Client determine that it is appropriate for JMCO to disclose any potentially privileged communication; Client agrees to provide JMCO with written, advance authority to make that disclosure. We will not respond to any request from banks, mortgage brokers or others for verification of any information. We do not communicate with third parties or provide them with copies of your information.
- b. Transcription, notetaking, Artificial Intelligence interpretation and recording technologies (collectively "Memorialization") may not be used for communications with JMCO without express written permission of JMCO. Use of such services may constitute disclosure as addressed above. If Memorialization takes place Client agrees (i) to provide the output from the memorialization to JMCO within one business day, (ii) that JMCO will have five business days to read, analyze and correct any Memorialization, (iii) not to rely on any Memorialization until after receipt of JMCO's communication addressing any corrections, and (iv) to compensate JMCO at JMCO's standard rates for time spent reading, analyzing and correcting Memorialization(s).

10. Tax Services – If the engagement letter specifically includes providing tax services the following provisions apply to the tax services for this engagement:

- a. Tax services do not include verification of the information you submit to us although we may ask that you clarify certain information. Our tax work does not include any procedures designed to detect fraud, theft or illegal acts.
- b. We will prepare the tax returns identified in the scope of the engagement letter solely for filing with the Internal Revenue Service ("IRS"), state, and local tax authorities. Our tax work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.
- c. Unless otherwise noted, we will perform our services in accordance with the Statement on Standards for Tax Services ("SSTs") issued by the American Institute of Certified Public Accountants and U.S. Treasury Department Circular 230 ("Circular 230") along with the Internal Revenue Code, accompanying Regulations, Treasury Department pronouncements and applicable state laws, rules and regulations.
- d. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.
- e. We will use our professional judgment to resolve questions in your favor where a tax law is unclear, provided that we have a reasonable belief that there is substantial authority for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the applicable tax code, tax laws, tax regulations, and their interpretations. If the IRS, state or local tax authorities later contest the position you select, additional tax, interest, and penalties may be assessed. We assume no liability, and you hereby release us from any liability, including but not limited to, additional tax, interest, penalties, and related professional fees.
- f. If additional accounting or bookkeeping assistance is required for the purpose of preparing tax returns that work will be an additional fee.
- g. If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.
- h. This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. If you request our assistance in responding to such an inquiry, and we agree to represent you, we will confirm this engagement in a separate Statement of Work.
- i. As tax return preparers, we are prohibited from signing a tax return unless we have a reasonable belief that there is substantial authority for a tax position taken on the tax return or we have a reasonable basis for the tax return position taken on the return and we disclose this tax position in a separate attachment to the tax return.

- j. The law imposes substantial penalties on taxpayers and tax advisors for failure to disclose listed and other reportable transactions on Form 8886, Reportable Transaction Disclosure Statement. In general, reportable transactions are potentially abusive transactions identified by the IRS that have a primary purpose of tax avoidance, including but not limited to listed transactions, confidential transactions, transactions with contractual protection, loss transactions, and transactions of interest. You agree to advise us of any tax shelters and/or reportable transactions identified in tax reference materials. Unless a reportable transaction is more likely than not to be sustained on its merits, IRC §6662A, Imposition of Accuracy-Related Penalty on Understatements with Respect to Reportable Transactions, requires us to disclose the reportable transaction in a separate attachment to the tax return. Similarly, unless a tax shelter is more likely than not to be sustained on its merits, IRC §6662(d)(2)(C)(ii), Imposition of Accuracy-Related Penalty on Underpayments, requires us to disclose tax shelters in a separate attachment to the tax return. If you do not consent to a required disclosure, we reserve the right to withdraw from the engagement, and you agree to compensate us for our services to the date of withdrawal.
- k. For series 1040 tax returns, we will not disclose your confidential tax information to another tax return preparer other than required by law or regulation without your consent. For tax returns other than the 1040 series, you authorize us to disclose your current year tax return information to our affiliates located outside the United States for the purposes of assisting us in preparation of your current year tax return. You acknowledge that by signing this engagement letter you consent that your current year non-1040 series tax return information will be disclosed to tax return preparers abroad when those affiliates are engaged to assist in preparation of your tax return.
- l. You will provide us financial information and supporting data necessary to prepare your tax returns. You must provide us accurate and complete information. Income, gains and losses from all sources, including those outside the U.S., is required. You agree and accept the burden that the consequences of inadequate documentation may include disallowance of tax benefits.
- m. You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by documentation and records required by the IRS and other tax authorities. In preparing your returns, we rely on your representations that we have been informed of all bartering transactions and that you understand and have complied with the documentation requirements for your expenses and deductions. At your written request, we are available to provide you with written answers to your questions on the types of supporting records required.
- n. On June 21, 2018, the U.S. Supreme Court reversed the long-standing physical presence nexus standard in South Dakota v. Wayfair, Inc. et. al. This decision significantly changed the landscape of sales and use tax compliance, especially for online sellers. If you wish to understand the impact of the decision on your business, please so advise and we will confirm this in a separate engagement letter.
- o. You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to, income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. Therefore, we will only prepare the tax returns for the entities and tax agencies listed in the engagement letter, unless you notify us in writing of any changes. Please contact us if you require assistance in determining your state and local tax filing obligations.
- p. You are responsible for informing us of all foreign transactions, assets owned directly or indirectly, including but not limited to, financial accounts with foreign institutions, other foreign non-account investments, and ownership of any foreign entities, regardless of amount. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. Failure to timely file the required forms may result in substantial civil and/or criminal penalties. You agree to provide us with complete and accurate information regarding any foreign investments in which you have a direct or indirect interest, or over which you have signature authority, during the tax years to which this engagement applies. The foreign reporting requirements are very complex. If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please ask us and we will respond in writing. Only advice that is in writing may be relied upon. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.
- q. You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you.
- r. You are responsible for advising us of any changes in ownership so we can properly reflect those on the tax returns.

- s. The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.
 - t. By executing this engagement letter, you consent to JMCO using your tax return information to send to you, by any medium: firm newsletters, surveys, press releases, information concerning firm seminars and nontax-related services, and any other communication sent to some or all of the firm's clients. This consent shall be valid for five years. The disclosure will include name, address and tax return form type and you acknowledge, by signing this engagement letter, that you have the right to consent to a disclosure of less information, but have decided, without coercion, that you consent to the disclosure of name, address and tax return form type. This consent is not conditioned on our providing services to you.
 - u. It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.
 - v. Federal, state and local taxing authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all taxes, penalties and interest charges imposed by tax authorities.
 - w. You authorize that any and all information furnished to us for or in connection with the preparation of tax returns other than 1040 series returns under this engagement letter may, for a period of up to three years from the date of this engagement letter, be disclosed to our designated third-party services, located outside the United States, engaged directly or indirectly in providing tax planning or preparation of tax returns. If you wish to request a limited disclosure of tax return information, you must inform us.
 - x. There are specific tax implications of investing in digital assets (e.g., virtual currencies such as Bitcoin, non-fungible tokens, virtual real estate and similar assets). The IRS and some other jurisdictions consider these to be property for tax purposes. As such, any transactions in, or transactions that use, digital assets are subject to the same general tax principles that apply to other property transactions.
 - y. If you transacted in digital assets during the tax year, you may have tax consequences and/or additional reporting obligations associated with such transactions. You agree to provide us with complete and accurate information regarding any transactions in, or transactions that have used, digital assets during the applicable tax year. If you have any questions regarding your digital assets and/or transactions, please ask us, and we will respond in writing.
 - z. Centralized Partnership Audit Regime Under the Bipartisan Budget Act of 2015(BBA) - You are encouraged to seek the advice of your attorney for matters related to the BBA. The regime of partnership (and entities that file 1065 series returns) audits was substantially changed in 2018 as part of the BBA. Form 1065 partnership pass-thru entity filers are generally audited and assessed at the entity level under the BBA. Some partnership filing entities are eligible to opt out of the BBA while other entities may elect to opt in. Each year a partnership must consider (if it is eligible) whether to opt in or out of the BBA. Your attorney can help with this election. If this engagement is for a pass-thru entity subject to these audit rules, our engagement does not include advising on whether to opt in or opt out of the BBA. If you choose to opt in to the BBA and will so elect on your tax filing, we will require additional information to complete the return. If you choose to opt in, the entity will need to designate an individual (and it may also designate an entity) to serve as partnership representative and provide the address and telephone number of that individual so designated.
11. **Force Majeure** – Neither Client nor JMCO shall be liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, epidemic, strike or labor dispute, war or other violence, or any law, order or requirement of any government agency or authority.

12. **Indemnification** – Client, its officers and directors hereby agrees to indemnify; agrees to pay for the defense (with counsel of JMCO's choosing) of JMCO, (including JMCO's principals, employees and authorized agents) and agrees to hold JMCO harmless from any and all suits, claims, actions, proceedings, liabilities, judgments, losses and costs whatsoever (including but not limited to attorneys' fees and litigation costs) arising in connection with any services performed or products provided by JMCO pursuant to, or under the cover of this engagement letter (Indemnity) as described in this paragraph. This Indemnity relates only to circumstances (1) in which there is a knowing misrepresentation by Client and/or its management relating to this engagement (2) arising out of or relating to claims by Client's employees or former employees/contractors for our critiques of employee performance (3) third party use of JMCO work product (4) posting or dissemination of partial and/or inaccurate copies of our reports and/or workproduct as described in 24 below, and (5) claims of Client current or former employees related to our work. The foregoing indemnity is intended to apply to the extent not contrary to applicable law and/or regulations governing the provision of professional services. This provision shall survive the termination of this engagement for a period of five years. **Notwithstanding the foregoing, the provisions of this paragraph shall not apply to Client when JMCO provides attest services to a Securities Exchange Commission Registrant Public Entity, Employee Benefit Plan, Bank, Credit Union or any other entity for which the terms of this paragraph shall be prohibited by law or regulation.**
13. **Errors, Fraud, Theft, Embezzlement, Illegal Acts** – Unless our engagement letter specifically obligates JMCO to search for fraud, theft, embezzlement and/or illegal acts, JMCO services cannot be relied upon to disclose errors, fraud, theft, embezzlement or other illegal acts that may exist, nor will we be responsible for the impact on our services of incomplete, missing, or withheld information, or mistaken or fraudulent data provided from any source or sources. However, we will inform you of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. Client is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing JMCO about all known or suspected fraud affecting Client 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 information. Client responsibilities include informing JMCO of Client knowledge of any allegations of fraud or suspected fraud affecting Client received in communications from employees, former employees, regulators, or others. In addition, Client is responsible for identifying and ensuring that the Client complies with applicable laws and regulations.
14. **Document Retention and Ownership** – The parties agree that JMCO will endeavor to retain documents and records in accordance with the Firm's Record Retention and Destruction Policy. Client agrees that after the specified period of retention expires (typically seven (7) years), documents and records may not be available. However, the related engagement records will not be destroyed regardless of the retention period, if JMCO has knowledge of potential or pending legal action and/or investigation by a regulatory agency, and it has been determined by the Firm that the records in question are relevant to said legal action and/or investigation. If it is determined that the records in question are relevant to the legal action and/or investigation, the Firm will impose a litigation hold on the records thereby suspending the scheduled destruction of the records. As potential or pending legal action or an investigation may not be public knowledge, we request that you inform us of any such legal action or investigation in a timely manner. Likewise, we request that you inform us when all legal action or investigation has been concluded so that the Firm can release the litigation hold and the records related to our engagement can be destroyed in accordance with our Record Retention and Destruction Policy. JMCO does not retain original client records or documents. Records prepared by us specifically for you as part of this engagement (for example, financial statements and other financial reports, tax returns, general ledgers, depreciation schedules, etc.) and other supporting records prepared by JMCO (for example, adjusting entries and related support, data combining schedules, calculations supporting amounts in tax returns and financial statements, letters, memos and electronic mail, etc.) will remain part of the engagement records. When any records are returned or provided to you, it is your responsibility to retain and protect them for possible future use, including potential examination by any government or regulatory agencies. JMCO owns and retains the rights to JMCO's internal working papers; any information created by JMCO is not the property of Client. In the event that documents are requested by the Representative or any other individual considered by law or regulation to be our client we will furnish the documents readily available in the Client file in a .pdf format (which shall not include any obligation on JMCO's part to undertake a search of JMCO's electronic document and email files) to the requesting party. The privacy policy of JMCO is available on our website at JMCO.com/privacy-policy/
15. **Hosting of Client Data** – JMCO does not Host, is not the custodian of, and accepts no responsibility for Client financial and non-financial data. Client acknowledges that it has sole responsibility for the storage and preservation of its financial and non-financial data.

16. **Brokerage Information** – From time-to-time Client may arrange and/or provide information to JMCO that includes investment holdings, transactions, arbitrage positions and investment strategies in addition to other asset holdings. JMCO utilizes information provided for purposes of financial statements and tax filings. JMCO does not provide investment analysis, strategies and/or risk analysis of investment portfolios. A JMCO affiliate, James Moore Wealth Management, LLC, a registered investment advisor, does provide investment advice under the terms of separate engagement understandings. Clients desiring services from James Moore Wealth Management, LLC should establish a separate understanding for those services. JMCO does not share information with James Moore Wealth Management, LLC, absent a specific written understanding with Client. Client agrees that this engagement does not include evaluation of investments, transaction and strategies.
17. **Professional Standards** – JMCO will perform this engagement in accordance with the professional standards applicable to the engagement including those standards promulgated by the American Institute of Certified Public Accountants. In the event that issues arise that present a conflict of interest and/or a potential for breach of professional standards it may become necessary to terminate or suspend services of this engagement. We will notify you if this issue arises.
18. **Use of Third-Party Providers** – In the normal course of business, JMCO uses the services of third-parties and individual contractors, which are not employees of JMCO. Some third-party providers are located inside, and some are outside the United States. You may notify us that you do not wish to have your work done by third-party providers, which may delay the completion of services and increase the price for services to amounts in excess of initial estimates. Those third-party services are performed at various levels and in various aspects of JMCO's engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement JMCO may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require JMCO to handle confidential information and JMCO expects third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, JMCO requires those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such information. Client acceptance of this arrangement acknowledges and accepts our handling of confidential Client information including access by third-party and individual service providers.
19. **Information Shared with Professional Service Affiliates** – JMCO's professional service affiliates include James Moore Advisory, LLC, which offers professional services including Human Resources, Technology and Data Analytics. From time-to-time JMCO shares information about entity (not individuals) clients such as name, address, email address, industry identifiers, enterprise size, contacts and phone number information with our professional service affiliates in connection with outreach programs to inform of services available through JMCO and its affiliates. No other information is shared with our affiliates unless you engage an affiliate to provide services at which time information necessary to provide services is shared between JMCO and its professional service affiliates. By signing the engagement letter, you expressly consent to the sharing of general information with JMCO's professional service affiliates about JMCO entity clients. If you do not agree to the sharing of information with our professional service affiliates, inform us and we will not share identified information.
20. **Limitation of Liability and Actions** – Neither party may assert against the other party any claim in connection with this engagement unless the asserting party has given the other party written notice of the claim within one (1) year after the asserting party first knew or should have known of the facts giving rise to such claim. Notwithstanding anything to the contrary, JMCO's maximum aggregate liability in this engagement (regardless of the nature of the any claim asserted, including contract, statute, any form of negligence, tort, strict liability or otherwise and whether asserted by Client, JMCO or others) shall be limited to twice the sum of the fees paid to JMCO during the term of this annual engagement. In no event shall JMCO be liable for consequential, incidental, special or punitive loss, damage or expense (including, without limitation, lost profits, opportunity costs, etc.) even if JMCO had been advised of their possible existence. This provision shall survive the termination of this engagement letter. **Notwithstanding the foregoing, the provisions of this paragraph shall not apply to Client when JMCO provides attest services to a Securities Exchange Commission Registrant Public Entity, Employee Benefit Plan, Bank, Credit Union or any other entity for which the terms of this paragraph shall be prohibited by law or regulation.**

21. **Mediation** – Prior to resorting to arbitration or litigation that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement the parties agree to attempt resolution of any dispute in mediation administered by and conducted under the rules of the American Arbitration Association (AAA) in mediation session(s) in Alachua County, Florida. Unless the parties agree in writing to the contrary, the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party may disclose any facts to the other party or to the mediator that it in good faith considers reasonably necessary to resolve the dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in any subsequent proceeding between the parties. The costs of any mediation proceeding shall be shared equally by the participating parties. If, for any reason, the matter is not resolved within ninety days after the first request for mediation, then mediation shall not be required under the terms of this engagement letter.
22. **Binding Arbitration** – All disputes not resolved by mediation (as described above) arising out of and/or related to the services and/or relationship with JMCO and Client will be resolved through binding arbitration. The parties agree that they are irrevocably voluntarily waiving the right to a trial by jury by entering into this voluntary binding agreement to arbitrate. The arbitration proceeding shall take place in Alachua County, Florida. The arbitration shall be governed by the provisions of the laws of Florida (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the substantive law of Florida shall be applied without reference to conflicts of law rules. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes or, if none, then the Commercial Rules of the American Arbitration Association (AAA), except that discovery shall be limited to identification of witnesses, exchange of expert reports, deposition of experts only, exchange of documents in the Client file and interrogatories and shall not include any exchange of e-mail or any requirement to produce or search for e-mail. Any Dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel (as defined below). For amounts in dispute less than One Million Dollars, the arbitration shall be conducted before a single arbitrator appointed as a neutral by the AAA. The single arbitrator shall be both a licensed attorney and a licensed certified public accountant at the time of appointment as the arbitrator. If the amount in dispute is One Million Dollars or more, the arbitration shall be conducted before a panel of three persons, all panel members must be members of the AAA's panel of neutrals with one arbitrator selected by each party (party selection shall be completed within twenty days of receipt of the panel nominees from the AAA or, failing party selection the panel members shall be appointed by the AAA), and the third member of the panel will be selected by the AAA will be licensed as a certified public accountant at the time of appointment to the panel (the "Arbitration Panel"). The party-selected arbitrators shall be treated as neutrals. The Arbitration Panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a state or federal court. The parties also waive the right to punitive damages, and the arbitrators shall have no authority to award such damages or any other damages that are not strictly compensatory in nature. In rendering their award, the Arbitration Panel shall issue a reasoned award. The Arbitration Panel is directed to award attorneys' fees and costs along with the costs of the arbitration proceeding to the prevailing party as determined by the Arbitration Panel. The confidentiality provisions applicable to mediation shall also apply to arbitration. The award issued by the Arbitration Panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. In no event shall a demand for arbitration be made after the date on which the initiation of the legal or equitable proceeding on the same dispute would be barred by the applicable statute of limitations or statute of repose or this engagement letter. For the purposes of applying the statute of limitations or repose or this engagement letter, receipt of a written demand for arbitration by the AAA shall be deemed the initiation of the legal or equitable proceeding based on such dispute. In agreeing to arbitration, we both acknowledge that each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

23. **Employees** – Both Client and JMCO agree that they will not employ any employee of the other within one year of the employee's last day of employment with the other, unless mutually agreed upon in writing. Employment of a former employee within one year of the employee leaving the other party may cause significant economic losses and/or breach of professional standards for JMCO and potential economic loss and/or potential conflicts of interest for Client. If this provision is breached, the hiring party will pay 3 months' salary of the employee to the non-hiring party.
24. **Posting and Distribution of Information** – Except when dissemination is required by a public records law, JMCO's permission is required prior to distribution or posting of JMCO work product. If Client plans to distribute or post online any of JMCO's work product, a copy of the document, reproduction master or proof will be submitted to JMCO not less than seven days prior to distribution or posting to provide JMCO sufficient time for our reading and approval prior to distribution or posting. If, in our professional judgment, the circumstances require, we may withhold our written consent. Client agrees that prior to posting an electronic copy of any of JMCO's work product, including but not limited to financial statements and our report(s) thereon, that Client will ensure that there are no differences in content between the electronic version posted and the original signed version provided to management by JMCO.
25. **Independent Contractor** – Client and JMCO are both independent contractors and neither Client nor JMCO are, or shall be considered to be, an agent, distributor or representative of the other. Neither Client nor JMCO shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf, or in the name of, the other.
26. **Assignment** – Neither party may assign any of its rights or obligations under the terms of this engagement without the prior written consent to the other.
27. **Additional Work** – From time-to-time Client may request that JMCO undertake to complete additional work. In the event that such work is undertaken without a separate written engagement understanding then the terms of this engagement letter including these Standard Terms and Conditions shall govern the additional work.
28. **Notice/Waiver** – The parties agree that notice is effective between the parties is made through any of the following: E-mail acknowledged as received by the party to which it was addressed, Certified Mail to the most recent address of the parties, hand delivery of written document via courier. No waiver of any provision of these Standard Terms and Conditions and the engagement letter will constitute a waiver of any prior, concurrent or subsequent failure of either party to comply with the provision hereof and no waiver will be effective unless made in writing.
29. **Withdrawal** – JMCO may elect to suspend or terminate services rendered under the terms of the engagement for any reason or no reason at all. Client may elect to terminate services rendered under the terms of the engagement for any reason or no reason at all.
30. **Artificial Intelligence Tools** – To enhance the efficiency, accuracy, and insights we provide, we may utilize advanced algorithms often referred to as Artificial Intelligence (AI) tools and technologies in the delivery of our services to you. These AI tools are employed to assist our professional staff in various tasks, including but not limited to: (1) Data Analysis and Processing: AI can help us rapidly analyze large datasets, identify trends, and process information more efficiently, which can improve the speed and quality of our financial analysis and reporting. (2) Automating Routine Tasks: AI may be used to automate repetitive data entry, reconciliation, and other administrative tasks, allowing our team to focus on more complex analytical and advisory work. (3) Research and Compliance: AI tools can assist in researching complex tax laws, accounting standards, and regulatory requirements, helping us to maintain compliance and provide accurate advice. (4) Risk Assessment: AI may be used to identify potential anomalies or risks within your financial data, contributing to a more robust and proactive approach to risk management. As part of our use of AI tools we want to let you know that: (1) Human Oversight: The use of AI tools is always under the direct supervision and review of our qualified human professionals. AI is a tool to augment our expertise, not replace it. All decisions and final outputs will be made and reviewed by our professional staff. (2) Confidentiality and Data Security: We are committed to maintaining the confidentiality and security of your data. We will select and use AI tools that adhere to strict data privacy and security protocols. Your

confidential information will be handled in accordance with our firm's privacy policy and applicable regulations. (3) Limitations of AI: While powerful, AI tools have limitations. They are trained on existing data and may not always account for unique or unforeseen circumstances. Our professionals exercise critical judgment and professional skepticism when interpreting AI-generated insights. (4) Your Data: By engaging JMCO, you acknowledge and agree that, as part of our service delivery, your financial and other relevant data may be processed using AI tools. If you have any questions or concerns regarding our use of AI in providing services, please do not hesitate to discuss them with us.

31. **Entire Understanding** – This engagement letter constitutes the entire understanding between the parties regarding the JMCO services and supersedes all prior understandings relating to JMCO services. No amendment, modification, waiver or discharge of the terms of this engagement letter shall be valid unless in writing and signed by authorized representatives of both parties. This understanding has been entered into solely between Client and JMCO, and no third-party beneficiaries are created hereby. In the event any provision(s) of the terms of this document shall be invalidated or otherwise deemed unenforceable, such finding shall not cause the remainder of this document to become unenforceable. The proper venue for all actions involving the relationship between JMCO and Client are the tribunals of principal jurisdiction in Alachua County, Florida. This document may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this document must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties and all other persons or entities required by law. An electronically transmitted signature or acknowledgment will be deemed an acceptable original for purposes of binding the party providing such electronic signature.