

**SCOPE APPENDIX to
Engagement Letter dated: April 14, 2022
Between Tippecanoe County and
Baker Tilly US, LLP**

RE: Generally Accepted Accounting Principles (“GAAP”) Financial Statements

DATE: June 16, 2022

This Scope Appendix is attached by reference to the above-named engagement letter (the “Engagement Letter”) between Tippecanoe County (the “Client”) and Baker Tilly US, LLP.

SCOPE OF WORK

Baker Tilly US, LLP (“BTUS”) will perform the following services:

This information is offered to communicate the BTUS’ understanding of the terms and objectives of the engagement. This information includes a description of the limitations of the services BTUS can provide.

BTUS will perform the following preparation services related to the Generally Accepted Accounting Principles (“GAAP”) Financial Statements for the Client:

A. Adjusting Entries (Compilation and Consulting Services)

Assist the Client's bookkeeper(s) or other designee to adjust the books and accounts in order to adjust the working trial balance from which financial statements can be prepared. Client bookkeeper(s) or designee will provide BTUS with a detailed trial balance and any supporting schedules required.

B. GAAP Financial Statements (Compilation and Consulting Services)

Assist the Client with preparation and analysis of information for the year ended 2022 and 2023.

C. Compile Client Financial Statements (Compilation and Consulting Services)

1. Compile, from information provided by the Client, the basic financial statements as of and for the calendar year ended 2022 and 2023.
2. Compile the client prepared accounting report in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation differs significantly from a review or an audit of financial statements. Our compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, our compilation does not contemplate obtaining an understanding of the entity’s internal controls; assessing fraud risk; tests of accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Therefore, BTUS’ services do not provide a basis for expressing any level of assurance on the financial statements being compiled.

The Client remains responsible for making all management decisions and performing all management functions, and for designating an individual with suitable skill, knowledge or experience to oversee any bookkeeping services or other service BTUS provides. The Client is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

D. Meetings (Consulting Services)

BTUS is available to attend meetings with representatives of the working group to include auditors and local officials.

E. Component Units

BTUS will incorporate client provided financial information for component units. If client provided financial information is not provided to BTUS, we will compile financial information based on information included in the component units' annual financial report.

F. Support During Independent Audit (Consulting Services)

BTUS is available to attend meetings and provide support during the audit.

G. GASB 87 Support (Consulting Services)

BTUS will provide support for implementation of GASB 87.

H. Additional Services

Upon request of the Client, BTUS is available for additional accounting and reporting support services. Such services will be requested by the client in writing to BTUS and will be invoiced separately based on standard hourly rates.

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Compensation and Invoicing

BTUS' fees for services set forth in the Scope Appendix is estimated not to Exceed Ninety-Five Thousand Dollars (\$95,000). Estimated fees for each service are outlined below.

	<u>Service</u>	<u>Fees</u>
A. – E.	Adjusting Entries, GAAP Financial Statements, Compile Client Financial Statements, Meetings, and Component Units	\$75,000*
F.	Support During Independent Audit	\$15,000*
G.	GASB 87 Support	\$5,000*
H.	Additional Services	Time & Expense*

*BTUS' fees will be billed at the standard billing rates based on the actual time and expenses incurred.

Standard Hourly Rates by Job Classification
9/1/2021

Partners / Principals / Directors	\$320.00	to	\$525.00
Senior Managers / Managers	\$205.00	to	\$315.00
Senior Consultants / Senior Financial Analysts	\$165.00	to	\$200.00
Consultants / Financial Analysts	\$140.00	to	\$160.00
Support Personnel	\$100.00	to	\$150.00
Interns			\$110.00

- *Billing rates are subject to change periodically due to changing requirements and economic conditions. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred by BTUS with the exception of expenses incurred for mileage which will be billed on a separate line item. No such expenses will be incurred without the prior authorization of the Client. The fees do not include the charges of other entities such as rating agencies, bond and official statement printers, couriers, newspapers, bond insurance companies, bond counsel and local counsel, and electronic bidding services, including Parity[®]. Coordination of the printing and distribution of Official Statements or any other Offering Document are to be reimbursed by the Client based upon the time and expense for such services.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

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We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

This Scope Appendix will terminate according to the terms of the Engagement Letter.

Notwithstanding termination provisions contained in the Engagement Letter, it is agreed that relative to this Scope Appendix that both the Client and Baker Tilly have the right to terminate the work being done under the Scope Appendix. This Scope Appendix will otherwise terminate 60 days after completion of the services described herein. On termination, all fees and charges incurred prior to termination shall be paid promptly.

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,



Daniel A. Hedden, Partner

Signature Section:

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: _____

Title: _____

Date: _____

RE: Compilation Accounting Services

Compilation of Historical Financial Statements

Our Responsibilities:

The objective of our engagement is to apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America or the cash basis of accounting based on information provided by you.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care when performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

We in our sole professional judgement, reserve the right to refuse any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities:

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America or with the cash basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the cash basis of accounting or accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with the cash basis of accounting or accounting principles generally accepted in the United States of America.
3. The election to omit substantially all disclosures normally included in the financial statements in accordance with the cash basis of accounting or accounting principles generally accepted in the United States of America.
4. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
5. The prevention and detection of fraud.

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6. To ensure that the Client complies with the laws and regulations applicable to its activities.
7. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
8. To provide us with –
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the Client of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our compilation of your financial statements. You are also responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report:

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.