



*Certified Public Accountants. Governmental Accounting and Budgeting*

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February 6, 2024

Honorable Deborah Whitfield, Mayor  
And Board of Public Works  
City of Lawrence  
9001 East 59<sup>th</sup> Street  
Lawrence, Indiana 46216

This letter is to describe our agreement as to our services to the City of Lawrence (City) for the year 2024, effective as of the date this letter is executed. This agreement is for the calendar year 2024 and shall terminate on December 31, 2024.

We are a CPA firm working primarily with counties, cities, towns, townships, and other units of local government in Indiana. Our mission is to assist local officials in planning and controlling their fiscal affairs.

#### 1. Fiscal Projection and Maintenance

We will assist the City in developing and maintaining a fiscal plan, based on discussions with appropriate officials regarding plans and policies that have been adopted or are expected to be adopted. In developing these projections, we will review certain calculations by the Department of Local Government Finance, the Department of Revenue, the County Auditor, and others, to help assure, but not guarantee, that revenue calculations are being made in the interests of the City.

The projection and schedules will be presented in the format of profit and loss statements. They will include the years 2023, 2024, 2025, 2026, 2027, and 2028, and they will be accompanied by comparative history for 2020, 2021, and 2022.

The fiscal projection will include the following schedules:

Projected revenues, expenditures, and fund balances for each major fund.

Projected property tax rates and levies.

Projected local income tax revenue.

We will be available in person for at least one annual meeting in the City at a mutually agreeable time to present the projections and respond to questions.

The Terms stated below for preparing and presenting this projection are predicated on the assumption that City officials have maintained records in the manner prescribed by the Board of Accounts or required by statute and that we will receive a reasonable degree of cooperation when we request access to documents.

The primary purpose of the fiscal projection will be to assist City officials in performance of their statutory duties, and, when appropriate, to assist citizens in pursuit of their civic duties. No other use of our work product is authorized. We are not municipal advisors, and our involvement is not to be associated with any financial statements, official statements, selling memorandum, bond issue, or other aspect of any financial transaction involving third parties. No assurance is provided. Actual results may vary from the projections, and the differences may be material.

## 2. Budget Assistance

We will be available to assist officials of the City in matters related to the budget and be alert for deadlines, problems, and opportunities and bring them to the attention of the City as we consider appropriate in our sole judgement.

This assistance may include the following:

Preparation of budgets, including assisting with and monitoring the necessary filings, public hearings, levy appeals, 1782 notices, and budget orders. This service is predicated on the expectation that the City will promptly inform us of any actions taken or notices received.

Be alert for opportunities for levy appeals, fund re-establishments, building and equipment loans, allowable fund transfers, or other opportunities for increased tax resources for the City. We will inform you of these when and if they come to our attention and when, in our sole judgement, they appear to us to be worthwhile to pursue. We cannot assure that all opportunities for additional resources will be identified and pursued successfully.

## 3. Consultation

We will also attend to other matters as requested by the Mayor. It is understood we do not serve as underwriters or financial advisors in connection with debt or lease financing, and our name will not be associated with any official statement, published financial

statements, published projections, or other documents related to bond or lease transactions.

The City officials, City staff, and other City consultants may from time-to-time request information or services from us. Also, we may from time to time be called upon to respond to questions from the public. In such instances, we may provide information and services which we believe, in our sole judgement, to be appropriate and useful. However, we accept no monetary or other responsibility for consequent decisions made by the City officials, City staff, other City consultants, members of the general public, or others, based on the services or information we provide, regardless of whether the services or information we provide is accurate, valid, relevant, or appropriate, and regardless of our degree of involvement. The primary purpose of this consultation will be to assist City officials in performance of their statutory duties, and, when appropriate, to assist citizens in the performance of their civic duties. No other use of our work product is authorized. We are not municipal advisors or personal financial advisors, and our work is not to be associated with any financial statements, official statements, selling memoranda, private placement memoranda, lease, bond, or other aspect of any financial transaction involving third parties.

#### 4. Terms

We will invoice periodically at our standard hourly rates plus actual out-of-pocket expenses, and payment is expected within forty-five (45) days. Our standard hourly rates are the lowest we offer any of our clients which are attached hereto as "Exhibit A." We reserve the right to discontinue our work and deliver an unfinished report if payment is not received within 45 days of an invoice. It is understood the City will comply with the late payment provisions of I.C. 5-17-5 and will pay interest at the rate of 1% per month on any charges that are disputed and later found to be valid, along with our cost of collection, including professional time and attorney's fees. The City may decline our services at any time and avoid charges. This agreement is automatically terminated as of our last billing if services are declined for fifteen consecutive months, after which the agreement may be renewed by mutual consent.

We are a professional corporation organized under the laws of the State of Indiana. The services described herein are not "professional services" as defined at I.C. 23-1.5-1-11 in that they can legally be performed by a person who is not an accounting professional. Our liability is limited accordingly.

Pursuant to I.C. 22-5-1.7-11, we agree to enroll in and verify the work eligibility status of all newly hired employees through E-Verify.

**Our Responsibilities:** The objective of our engagement is to apply accounting and financial reporting expertise to assist you in the presentation of fiscal and financial information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements or other fiscal and financial information in order for them to be in accordance with accounting principles

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generally accepted in the United States of America or any other comprehensive basis of accounting or financial reporting framework, or in order to make them otherwise not misleading.

Accordingly, our engagements will not be governed by Statements on Standards for Accounting and Review Services (SSARS), promulgated by the Accounting and Review Services Committee of the AICPA, or by generally accepted auditing standards.

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, a conclusion, nor provide any assurance on the financial statements.

The City will be entitled to the return of any materials provided by the City to us and also entitled to reports documenting our findings, conclusions, and work product, including reconciliations and schedules necessary for the City to conduct its business. Software we develop, along with spreadsheets, working papers, memoranda, and internal messages, including both electronic and paper documents, will be proprietary to us, our sole property, and not public records.

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 have not rendered a judgement as to whether we are professionally independent regarding City of Lawrence.

Coonrod agrees that it, and its subcontractors, will not discriminate against any employee or applicant for employment to be employed in the performance of this agreement, with respect to the employee's hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of the employee's race, religion, color, sex, disability, national origin, or ancestry. Breach of this covenant may be regarded as a material breach of the agreement.

The Parties acknowledge that the City is a governmental entity whose funds are subject to appropriation by its fiscal body. Therefore, if at any time during the initial term or subsequent term of this agreement, the City's fiscal body should fail to appropriate sufficient funds to continue this agreement, it will become null and void. The City shall not be obligated to perform unless and until sufficient funds are appropriated. The City agrees to inform us in writing of any such non-allocation of funds at the earliest possible date, and shall pay for all services provided prior to exhaustion of the appropriated funds. The parties further agree compensation under this agreement shall not exceed the approved budgeted amount for the fiscal year.

**Your Responsibilities:** The engagement to be performed is conducted on the basis that you acknowledge and understand our role as described in this letter.

You have the following overall responsibilities that are fundamental to our undertaking the engagement:

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- 1) The selection of assumptions and accounting principles relevant to the engagement.
- 2) The design, implementation, and maintenance of internal control.
- 3) The prevention and detection of fraud.
- 4) To ensure that the City complies with the laws and regulations applicable to its activities.
- 5) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 6) To provide us with—
  - access to all information of which you are aware is relevant to the engagement, such as records, documentation, and other matters.
  - additional information that we may request from you for the purpose of this engagement.

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

Notwithstanding any representation we may make herein, we expressly disclaim any monetary liability for any failure, regardless of our degree of involvement, to give timely and proper public notice, to file timely and proper documents, to attend hearings and provide proper representation, and to make you aware of such failures. Regardless of any future verbal or written representations, we will accept responsibility for such liability only if we do so explicitly and in writing. It is understood that any claim regarding the adequacy, or omission, of our services must be asserted within one year of our performance, or omission, of the service. Further, any claim amount will be limited to the fee amount received for the service at issue, or in the case of an omission, the amount received for the calendar year in which the omission is claimed to have occurred. We are not a law firm and are not authorized to practice law. Any information or advice we give is subject to review by legal counsel.

Fiscal and financial information and projections we may provide will be for use by City officials in the conduct of their official duties and, where appropriate, by citizens in pursuit of their civic duties, and will not be intended for the use of anyone for any other purpose. Nevertheless, we understand our work product may become public records. Actual results may vary from forecasts and projections, and the differences may be material. No assurance is provided. Our engagement with you is not intended to shift risks normally borne by you to us. In the event of a legal proceeding or other claim brought against us by a third-party in connection with our work for you, you agree to indemnify and hold harmless our firm and its personnel against all costs, fees, expenses, damages, and liabilities, including defense costs and legal fees, associated with such third-party claims arising from or relating to any services or work product that you use or disclose to others or this engagement generally. This indemnification is intended to apply to the full extent allowed by law, regardless of the grounds, or nature of any claim asserted. This indemnification shall also apply after termination of this agreement. However, this indemnification will not apply if, as determined in a judicial proceeding, we performed our services with gross negligence or with willful misconduct.

U.S. federal tax advice contained in any communication from us is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code or promoting, marketing, or recommending to another party any transaction or matter addressed herein.

Professional standards require that we advise you that the firm may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we

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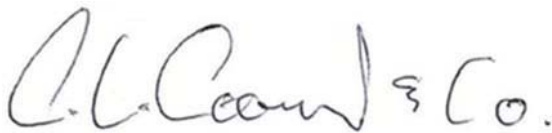
maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event we are unable to secure and appropriate confidentiality agreements, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service providers. Furthermore, the firm will remain responsible for the work provided by any such third-party service providers. We accept no liability for disclosure of information to which an appropriate official or a member of the public is entitled by law or custom.

If any provision of this engagement letter or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this engagement letter nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

The undersigned represents that he is authorized to enter into agreements on behalf of the City and to encumber appropriations for the cost of the services described. Furthermore, the City represents that appropriations are available for the cost of the services described, or, in the event appropriations do not become available, we will be given sufficient notice to avoid incurring cost.

We hope the City of Lawrence finds this letter helpful. We would be proud to be associated with the City of Lawrence.

Very truly yours,



C. L. Coonrod & Company

City of Lawrence agrees with the arrangement described in this letter:

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City Official

Date

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**Exhibit A**

C.L. Coonrod & Company Standard Billing Rates  
for City of Lawrence Engagement Letter as of February 6, 2024

Mr. Coonrod: \$325/hr.  
Mr. Roeger: \$297/hr.  
Ms. Parker \$260/hr.  
Mr. Calderon: \$139/hr.  
Ms. Jolly: \$98/hr.