

May 22, 2020

Mayor and Council  
Town of Boonsboro  
21 North Main Street  
Boonsboro, MD 21713

We are pleased to confirm our understanding of the consulting services we are to provide for the Town of Boonsboro (Town) through the year ending June 30, 2021. It is our understanding that the following services may be requested, on an hourly basis:

- Assistance with monthly financial reporting to include recording of general journal entries
- Assistance with reconciliation of bank and investment statements
- Assistance with reconciliation of subsidiary ledgers
- Assistance with the year end audit process
- Special projects as may be requested by the Town Manager, or Mayor and Council

All services will be provided on an hourly basis, based on the staff level assigned each task, based on our reduced Governmental Services rates structure as outlined in our proposal dated May 22, 2020. You will also be billed for travel for any on-site visits at the then current federal mileage rate.

Karen Dojan, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter and the accompanying Financial Statement Services Terms and Objectives Brochure accurately summarize 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 these documents, please sign the enclosed copy and return it to us.

Sincerely,



Karen Dojan, CPA

Mayor and Council  
Town of Boonsboro  
Page 2

**Acknowledgement:**

I have read AND ACCEPT the foregoing, together with the enclosed proposal for accounting services and brochure, which more fully describe the services required and requested by us.

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

\_\_\_\_\_  
Name/Title

Enclosures

## Accounting Support Services

# Town of Boonsboro

Prepared by

[Weyrich, Cronin & Sorra, LLC](#)

Certified Public Accountants and Business Consultants

20 Wight Ave • Suite 210

Hunt Valley, MD 21030

[Karen Dojan, CPA](#)  
Principal

[KarenD@WCScpa.com](mailto:KarenD@WCScpa.com)

410-339-6464

May 22, 2020

Ladies and Gentlemen,

Thank you for the opportunity to propose on continued professional accounting services to the Town of Boonsboro. It is our understanding that you require the following services for the year ending June 30, 2021.

- Assistance with monthly financial reporting to include recording of general journal entries
- Assistance with reconciliation of bank and investment statements
- Assistance with reconciliation of subsidiary ledgers
- Assistance with the year end audit process
- Special projects as may be requested by the Town Manager, or Mayor and Council

All services will be provided on an hourly basis, based on the staff level assigned each task. A schedule of staff level and hourly rates may be found on the attached proposed hours and billing rates schedule. We will provide an hourly fee estimate for any special projects prior to the start of the task order.

Providing a high level of value for the price you pay is integral to our basic engagement philosophy. We trust that you will find our experience and the quoted fee to be competitive. Please feel free to contact me if you have any questions about this proposal, our fee structure or the firm. This proposal is a firm and irrevocable offer for ninety days.

We look forward to your response,



Karen Dojan, CPA  
Principal

## Qualifications, Background & Experience

Due to the level of quality of our services, we have established ourselves as a partner to our municipal clients and have built long-term relationships. As part of building that partnership, we also participate with the Maryland Municipal League as a Strategic Partner.



Weyrich, Cronin & Sorra, LLC (WCS), established in 1979, is a regional full service accounting firm that offers a broad spectrum of services, including audit, tax, valuation and consulting services. From the beginning, the goal of the founding partners was to establish an accounting practice built around proactive client service delivered through “Close Personal Attention”. Over four decades later, the tradition of excellent client service continues.

According to the Baltimore Business Journal’s annual Book of Lists, WCS is one of the region’s largest CPA and consulting firms. Currently, the firm has 7 partners, 47 professionals and 10 administrative staff located in three offices (Hunt Valley, Bel Air and Elkton). According to the *Baltimore Business Journal’s* annual *Book of Lists*, WCS is one of the region’s largest CPA and consulting firms.

WCS and our Governmental Services Team have significant experience, in our capacity as both auditors and consultants, with other municipalities throughout Maryland. This experience, in conjunction with the firm’s commitment to continuing professional education (CPE), provides our team members with extensive knowledge of the unique municipal financial reporting requirements of the Town. In addition, our hands-on experience with the day to day functions of other local municipalities provides us with invaluable real-world experience of best practices.

We operate as distinct practice groups; therefore, staff with specialized industry experience service each of our engagements. The firm currently serves eighteen public organizations, and the Maryland Municipal League. The majority of these organizations are local municipalities who utilize governmental, special revenue, capital projects, enterprise and fiduciary fund accounting.

WCS prides itself on the quality services it provides. Accordingly, the firm holds memberships in the following associations:

- American Institute of Certified Public Accountants
- Maryland Association of Certified Public Accountants
- American Institute of Certified Public Accountants Governmental Audit Quality Center
- American Institute of Certified Public Accountants Employee Benefit Plan Audit Quality Center
- Strategic Corporate Partner of the Maryland Municipal League

# Qualifications, Background & Experience

WCS maintains the highest professional standards of excellence and integrity through our voluntary membership in the AICPA and their Governmental Audit Quality and Employee Benefit Plan Audit Quality Centers. Membership in these organizations subjects us to their stringent Peer Review Program requirements. Attached is the firm's most recent System Review Report for the year ended August 31, 2018. The report reflects a rating of Pass on WCS' System of Quality Control with no letter of comments. A Pass rating is the highest form of assurance that a firm can receive. WCS has always received this rating since the inception of the program in 1981.



**REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL**

February 11, 2019

**To the Partners of Weyrich, Cronin & Sorra LLC  
and the Peer Review Committee of the Maryland Society of CPAs**

We have reviewed the system of quality control for the accounting and auditing practice of Weyrich, Cronin & Sorra LLC (the "Firm") in effect for the year ended August 31, 2018. 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 (the "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](http://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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 in conformity with 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 the system of quality control and the firm's compliance therewith based on our review.

**Required Selections and Considerations**

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

As 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 Weyrich, Cronin & Sorra LLC in effect for the year ended August 31, 2018, 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. Weyrich, Cronin & Sorra LLC has received a peer review rating of pass.

*Bergan KDV, LLC*

**BerganKDV, LLC**

PROFESSIONAL SERVICES THE MIDWEST WAY   
BerganKDV, LLC | [bergankdv.com](http://bergankdv.com) | [info@bergankdv.com](mailto:info@bergankdv.com)

## Engagement Team

“The staff is readily available to answer our questions, provide us with proper instructions, and assist in any way possible. Working with a knowledgeable, friendly staff makes my job as Town Administrator easier; as I am confident that our records are accurate, that the required filing documents are accurate, and that there is always someone available to assist us.”

- Elizabeth Jo Manning  
Town Administrator  
Town of Millington

WCS and assigned key professional staff are all Certified Public Accountants (CPAs) properly licensed to practice in the State of Maryland. Additionally, all individuals specified in this proposal have exceeded the Maryland licensing requirements for Continuing Professional Education (CPE).

What distinguishes us from other firms is our people. Our staff has a unique mix of skills, both technical accounting expertise and a wealth of industry specific knowledge regarding governmental organizations. This allows us to focus on effectively and efficiently meeting the needs of our clients. We recognize the value of timely service and have the ability to meet your scheduling needs.

We invest significant resources to keep all members of our staff, from Partners to Staff Accountants, abreast of the latest developments related to accounting and auditing pronouncements, including those issued by the GASB and the Office of Management and Budget related to Federal awards. Participation in CPE courses are fundamental to maintaining the skills necessary to provide the technical expertise our clients have come to expect. Our firm’s System of Quality Control requires that all professional staff members receive a minimum of 40 hours of CPE in any given year, however, many of our staff members receive training which far exceeds this minimum level.

As a member firm of the AICPA Governmental Audit Quality Center, we receive regular updates on topics directly related to pronouncements by the GASB and implementation guidance related to the new standards; and audits performed under *Government Auditing Standards* and the Uniform Guidance. This is just one of the ways that we empower our staff to maintain the resources and knowledge necessary to provide the highest quality service and technical expertise to our clients. We as a firm are proud of the fact that we provide such resources and opportunities for professional growth. This enables us to have an employee turnover rate that is well below industry averages.

Karen Dojan will serve as the engagement partner, and will have overall responsibility for the engagement. Gray Farquharson will serve as the direct client contact for the duration of this consulting engagement.

## Engagement Team

### KAREN DOJAN

Certified Public Accountant, Principal



#### PROFESSIONAL EXPERIENCE

Karen Dojan, Principal at Weyrich, Cronin & Sorra, LLC, has over 25 years of public accounting experience. She joined the firm in 2011 as a Senior Manager. Karen is the leader of our Governmental Services Team, with extensive experience regarding audits in the public sector and not-for-profit organizations. She also has significant experience performing audits under *Government Auditing Standards* and the Single Audit Act (Uniform Guidance). As an active corporate partner of the Maryland Municipal League, Karen has provided training for members at their annual summer conference. She has also provided training at the MACPA's Annual Government and Not-for-Profit Conference, and is a certified trainer for the Certified Nonprofit Accounting Program (CNAP), a nationally recognized certificate program for non-profit financial professionals.

#### FUNCTIONAL DISCIPLINE

Karen has served on all engagements performed under *Government Auditing Standards* and The Single Audit Act for the firm since 2011, either as a Senior Manager, Quality Control Reviewer or Partner.

#### PROFESSIONAL AFFILIATIONS

- Member of American Institute of Certified Public Accountants
- Member of Maryland Association of Certified Public Accountants
- Member of Government Financial Officers Association
- Certified Nonprofit Accounting Professional (CNAP) Trainer

#### EDUCATION

Bachelor of Business Administration in Accounting, Loyola College of Maryland

Licensed CPA, State of Maryland

## Engagement Team

### GRAY FARQUHARSON

Staff Accountant



#### PROFESSIONAL EXPERIENCE

Gray Farquharson, Staff Accountant at Weyrich, Cronin & Sorra, LLC, joined the firm in May 2018. Since then, he has become an integral member of our Governmental Services Team, participating on several audits and consulting engagements for our municipal clients. In addition, he has also participated in other accounting and auditing engagements, including those performed under *Government Auditing Standards* and the Uniform Guidance. Gray is actively pursuing his CPA license.

#### FUNCTIONAL DISCIPLINE

Gray specializes in governmental organizations and non-profits receiving federal awards subject to Uniform Guidance. He works closely with our clients, under the direct supervision of a senior staff member in the field performing detailed audit testing procedures.

#### PROFESSIONAL AFFILIATIONS

- Member of American Institute of Certified Public Accountants
- Member of Maryland GFOA

#### EDUCATION

Bachelor of Business Administration in Accounting, University of South Carolina

Currently pursuing his Masters in Accounting and Business Advisory Services, Towson University

# Proposed Hours and Billing Rates

WCS stands apart from other accounting firms through the personalized attention our accountants bring to each client engagement both during the course of the engagement and throughout the course of the year.

We provide quality services, offering our clients the highest value for their resources.

Being sensitive to the challenges local municipalities face, our Governmental Services rate structure is discounted from our normal hourly rates. You will also be billed for travel expenses at the current federal mileage rate for any on-site visits requested by the Town. Hourly rates by staff level are included in the table below:

STAFF LEVEL	HOURLY RATE
Karen Dojan, CPA, Partner	\$285
Gray Farquharson, Staff	\$115

Based on prior experience with the Town, we anticipate the following hours for routine accounting assistance, however actual hours may vary depending on unforeseen circumstances:

- 6-8 hours each quarter for routine accounting assistance
- 10-14 hours for year end audit assistance

WCS’s policy is to invoice our clients monthly as work progresses and invoices are due upon receipt. Providing a high level of value for the price you pay is integral to our basic engagement philosophy.



## Additional Solutions Provided

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Audit, Review & Compilation  
Benchmarking  
Business & Individual Income Tax Preparation  
Business Succession Planning  
Business Valuations  
Employee Benefit Plan Audits  
Estate & Wealth Transfer Planning  
Forensic and Investigative Accounting  
Income Tax Planning & Strategy  
Management Advisory Services  
Merger & Acquisition Transactions  
QuickBooks Training, Configuration & Bookkeeping



CPAs & Business Consultants  
wscpa.com



## Financial Statement Services Terms & Objectives

A decorative graphic on the right side of the page, featuring a blue-tinted, semi-transparent view of a modern building's interior with a curved walkway and architectural details.

Inspiring your corner of the world.

## ENGAGEMENT ADMINISTRATION, FEES & OTHER (Applicable to all engagements)

Our price & terms for this engagement are as set forth in the accompanying letter and are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

All invoices are due and payable upon presentation.

You agree to pay reasonable attorney fees and collection costs incurred relating to collection for services performed under this engagement.

In the event that we are required to respond to subpoenas or legal actions, you will be billed for time, travel and other out-of-pocket costs such as report production, word processing, postage, etc.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes, before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over the fees charged by the accountant, 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.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you the scope of the additional services and the estimated fees. We may also issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

It is our policy to keep records related to this engagement for seven years for current clients and five years for non-current clients. However, we do not keep any original client records, so we will return those to you at completion of the services rendered. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. Upon expiration of disclosed retention period we are free to destroy our records related to this engagement.

We may electronically submit to you records associated with this engagement. We are not responsible for any damage that might be caused by the electronic submission of this data.

## Non-solicitation of Employees

Each party to this engagement letter has spent considerable resources on the selection and development of their respective personnel, such that the personnel of each party constitute valuable "assets" of each of the parties. Each recognizes it would be detrimental to the other for either party to convert such assets of the other party by hiring away personnel from the other. In recognition that said detriment would be substantial and real, although that detriment would be difficult to measure, each therefore agrees to pay compensation for any such detriment. Accordingly, during the term of this engagement letter and ending one year after all services to be provided hereunder have been performed, neither party will solicit for employment, personnel of either party assigned to the engagement covered by this engagement letter without first obtaining the written consent of the other party. Neither party will breach its obligation hereunder by generally advertising available positions or hiring personnel who either respond to such advertisements or come to either party on their own initiative, without direct or indirect encouragement from either party. In the event you or the Firm intentionally or materially breaches the provisions of this engagement letter resulting in the Firm or your employee's acceptance of an offer of employment by the other, either written or oral, without the prior written consent of the Firm or you in direct violation of the provision herein, the violating party agrees to pay to the other as liquidated damages a sum equal to one (1) times the current annual salary of the Firm's or your employee accepting such offer of employment.

To ensure that independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our engagement ends on delivery of our report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

## MANAGEMENT RESPONSIBILITIES (Applicable to all engagements)

The engagement to be performed is conducted on the basis that you acknowledge and understand the role that we are performing.

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

- The selection of accounting principles generally accepted in the United States of America or the other comprehensive basis of accounting described in the accompanying letter as the financial reporting framework to be applied in the preparation of the financial statements.
- The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America or the other comprehensive basis of accounting described in the accompanying letter and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America, if applicable.
- The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements. That are free from material misstatement, whether due to fraud or error.
- The prevention and detection of fraud.
- To ensure that the entity complies with the laws and regulations applicable to its activities.
- The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 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.
- To provide us with additional information that we may request from you for the purpose of the engagement.
- To provide us with unrestricted access to persons within the entity of whom we determine it necessary to make inquiries.
- Including our report in any document containing financial statements that indicate that we have performed an engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

## ENGAGEMENT TYPE (refer to accompanying letter) PREPARATION

### Preparation Objective

The objective of preparation services is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America or the other comprehensive basis of accounting described in the accompanying letter based on information provided by you.

### Preparation Procedures

We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services 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.

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 conclusion or 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.

Prepared financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

## COMPILATION

### Compilation Objective

The objective of a compilation 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 other comprehensive basis of accounting described in the accompanying letter.

### Compilation Procedures

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 the AICPA's Code of Professional Conduct, and its ethical principles of integrity, objectivity, professional competence, and due care.

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.

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. There may be circumstances in which

the report differs from the expected form and content.

If, for any reason, we are unable to complete the compilations of your financial statements, we will not issue reports on such statements as a result of this engagement.

## REVIEW

### Review Objective

The objective of a review engagement is to obtain limited assurance as a basis for reporting whether we are aware of any 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 another comprehensive basis of accounting as defined in the accompanying letter.

### Review Procedures

We will conduct our review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's Code of Professional Conduct, and its ethical principles of integrity, objectivity, professional competence, and due care.

A review engagement includes primarily applying analytical procedures to your financial data and making inquiries of management. A review engagement is substantially less in scope than an audit engagement, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review engagement does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or other examination of source documents; or other procedures ordinarily performed in an audit engagement. Accordingly, we will not express an opinion regarding 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. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures regarding noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

As part of our review procedures, we will require at the conclusion of the engagement, a letter that confirms certain representations made during the review.

We will issue a written report upon completion of our review of the financial statements. Our report will be addressed to the management of the entity. We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from accounting principles generally accepted in the United States of America or the other comprehensive basis of accounting described in the accompanying letter, add an emphasis-of-matter or other matter paragraph(s), or withdraw from the engagement.

If, for any reason, we are unable to complete our review of your financial statements, we will not issue a report on such statements as a result of this engagement.

## AUDIT

### Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles or another comprehensive basis of accounting as defined in the accompanying letter.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the financial statements. Our report will be addressed to those charged with governance. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is 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 an opinion, we may decline to express an opinion or withdraw from this engagement.

### Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material

misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

## Additional Management Responsibilities in Audit Engagement

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles (or another comprehensive basis of accounting as defined in the accompanying letter). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

## OTHER NONATTEST SERVICES (Performed in conjunction with another service type defined above)

Other services are limited to financial statement and tax services defined in the accompanying letter.

The objective of financial statement assistance services associated with a Compilation, Review or Audit engagement is strictly to assist management in preparing financial statements in accordance with accounting principles generally accepted in the United States of America or the other comprehensive basis of accounting described in the accompanying letter based on information provided by you.

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

You agree to assume all management responsibilities for the tax services, financial statement assistance services, bookkeeping services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with this agreement, we may communicate with you or others via email transmission. As emails 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, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email 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.