

**RE: BT+ Services**

**DATE: August 28, 2025**

This Scope Appendix is attached by reference to the above-named engagement letter (the Engagement Letter) between the Town of North Liberty, Indiana, (the Client) and Baker Tilly Advisory Group, LP (Baker Tilly).

**SCOPE OF WORK**

Baker Tilly agrees to furnish and perform the following services as requested.

**A. Accounting and Reporting Support**

1. Provide as needed support for accounting and reporting processes related to the computerized accounting system modules of the Client as detailed below:
  - a) General Ledger;
  - b) Check Reconciliation;
  - c) Accounts Payable;
  - d) Cash Collection;
  - e) Payroll;
  - f) Reporting; and
  - g) Other (as necessary)
2. Provide as needed support for accounting and reporting processes for the Client as detailed below:
  - a) Cash and investments management;
  - b) Bond issues and other debt;
  - c) Property taxes;
  - d) Excise taxes;
  - e) Other operating revenues;
  - f) Personnel services;
  - g) Supplies;
  - h) Other services and charges;
  - i) Capital outlays;
  - j) Other disbursements;
  - k) Non-financial activity; and
  - l) Other accounting and reporting processes (as necessary)

3. Support services will be directed by the Client based on the scope and nature of the event. Baker Tilly's services include:
  - a) On-site support as needed;
  - b) Telephone support as needed;
  - c) E-mail support as needed;
  - d) Written communication as needed; and
  - e) Remote support via Internet as needed

#### **B. Financial Management Report**

1. Analyze the historical financial information of the Utility.
2. Analysis of year-to-date revenues and expenditures in comparison with the Utility's revenues and expenditures budget, as necessary.
  - a) Identify unusual variations from the revenues and expenditures budget.
  - b) Provide explanation of adjustments as necessary.
3. Expenditure analysis of the transactions for the period to determine appropriateness and consistency of transaction posting.
  - a) Provide proposed adjusting transactions if necessary for the Client's approval.
  - b) Provide explanation of adjustments as necessary.
4. Analyze Utility fund balances for compliance with outstanding bond ordinances and other legal and local requirements.
  - a) Provide a schedule of suggested fund transfers and explanations as necessary.
  - b) Analyze fund balances for funds available for capital expenditures.
5. Assist the Utility to prepare an annual budget of estimated revenues and expenditures, as necessary.
6. Obtain information from Client officials, the Client's consulting engineers and/or other sources necessary to assist the Client in the development of a capital budget.
7. Provide evaluation of current rates.
8. Provide a report and attend meetings with the Client to discuss findings and recommendations.
9. Provide email and telephone support for the Client's staff regarding accounting and financial questions.

#### **EXPECTATIONS**

The Client will identify a member of their staff to serve as a contact person between Baker Tilly and the Client. This person will be responsible for assisting Baker Tilly in the gathering of accurate and timely information necessary to complete the project and arranging for and coordinating required meetings. Baker Tilly acknowledges some of this information may be available in our files and/or on the Client's website. At a minimum, the following information will be needed to complete the study:

- > Copies of the Client's most recent and prior two years' financial statements.
- > A trial balance or similar report generated from the Client's accounting system for the most recent year-ended and current year-to-date.

- > Copies of the Client's adopted budgets for the last two years, the current year, and the ensuing year, if available.
- > Capital Improvement Plan for the current year and for the following three years (if available).
- > Current fiscal policies.
- > Copies of existing Client debt schedules for any outstanding debt (i.e. bonds, equipment leases, lease-purchase agreements, etc.).
- > Information related to the anticipated growth in residential and commercial/industrial tax base during the planning period (if available).
- > Other relevant information.

**C. Budget Assistance**

1. Meet with the Client to discuss the budget process and collect data for budget preparation.
2. Develop or analyze the budget calendar for consideration by the legislative body.
3. Compute state distributed revenues based on certifications, and other information provided by the Department of Local Government Finance (DLGF) and the Auditor of State.
4. Develop or analyze miscellaneous revenues based on historical information provided by the Client.
5. Develop or analyze the estimated maximum levy.
6. Develop or analyze the estimated tax rate and levy by fund.
7. Assist with Client prepared budget estimates.
  - a) Provide an overview to Department Heads and other Client officials of available revenue sources for the budget year
  - b) Meet with Department Heads and other Client officials to provide assistance with developing sustainable budgets
8. Assist with the preparation of prescribed forms related to the annual budget.
9. Assist the Client with entering budget data into the Indiana Gateway program.
10. Monitor the completion of the required steps of the budget process with the Client.
11. Analyze the 1782 Budget Notice on behalf of the Client to ensure accuracy and completeness.
12. Provide periodic budget management assistance through telephone, remote and on-site support.

**D. Additional Appropriations**

1. Develop a timeline for the steps required to request approval of an additional appropriation from the DLGF.
2. Analyze estimated receipts and cash on hand to determine ability to fund requested additional appropriation.
3. Assist with State prescribed additional appropriation documents.
4. Assist the Client to monitor completion of the required steps of the additional appropriation process.

## E. Continuing Disclosure Services

Baker Tilly will commence continuing disclosure services for debt obligations as set forth in any continuing disclosure undertaking for the debt obligations (CDU) that the Client will execute upon settlement. Annually, the Firm will check in with the Client to confirm the engagement for the next annual reporting period.

In carrying out its duties, Baker Tilly shall do the following:

1. Preparation and filing of annual reporting

The Client will provide Baker Tilly with the executed CDU, including any master or supplemental CDUs. Baker Tilly will:

- a) Identify the Client's reporting obligations, assist, as needed, with any necessary operating data, and file any required annual report and financial statements, including the audit if available, as provided for in each CDU for the reporting period;
- b) Provide to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access System (EMMA), the annual information required under each respective CDU;
- c) Provide additional reporting to purchasers, as set forth in bond related agreements; and
- d) If not filed at the time of the annual report, file the audit as set forth in the CDU.

2. Assistance filing reportable events on EMMA

Upon notification of one of the events listed as set forth in each CDU (collectively, Reportable Events), Baker Tilly will assist the Client with filing any Reportable Events. Most Reportable Events are required by the Rule to be filed within ten business days of the occurrence. Client will notify Baker Tilly as soon as possible when they believe a reportable event has or may have occurred to enable Baker Tilly to file a timely notice on EMMA. It is the Client's sole responsibility to notify Baker Tilly of the potential occurrence of a Reportable Event.

3. Compliance Check

- a) At the time of issuance, Baker Tilly will prepare the Client's post issuance policies and procedures. If these policies and procedures are already in place, Baker Tilly will review with the Client.
- b) At the time that Baker Tilly conducts services annually under item 1, Baker Tilly will update the compliance check.
- c) If a deficiency is found and the bonds remain outstanding at the time of Baker Tilly's compliance check, Baker Tilly will prepare any necessary reporting or notices to meet the CDU obligations. Baker Tilly will provide the Client with documentation that the EMMA filing has occurred.

4. Other post issuance services (Upon Request)

If requested, Baker Tilly will provide to the Client other post issuance services including, but not limited to, consultation related to disclosure operating procedures, rating surveillance support, and debt management.

Client agrees to provide Baker Tilly with the audit and accurate information with respect to the annual report in a timely manner and to fully disclose to Baker Tilly any Reportable Events as they occur.

## COMPENSATION AND INVOICING

Fees for services set forth in the Scope Appendix will be Two Thousand Four Hundred and Seventeen Dollars (\$2,417) per month and one hundred and five hours (105) allowed per year.

The above fees shall include all expenses incurred except for direct, project-related expenses such as travel costs.

## BILLING PROCEDURES

Normally, you will receive a monthly statement showing fees and costs incurred in the prior month. Occasionally, we may bill on a less frequent basis if the time involved in the prior month was minimal or if arrangements are made for the payment of fees from bond proceeds. The account balance is due and payable on receipt of the statement.

### 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.

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

Notwithstanding termination provisions contained in the Engagement Letter, this Scope Appendix is intended to be ongoing and applicable individually to specific services including financings, arbitrage, continuing disclosure, parity, escrow verification - or other continuing work, (Sub-engagements) as if they are the sole subject of the Scope Appendix. As such, termination may occur for a specific Sub-engagement without terminating the Scope Appendix itself. On termination of a Sub-engagement or the Scope Appendix, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Sub-engagement performed under this Scope Appendix will terminate 60 days after completion of the services for such Sub-engagement.



Proposed Deliverable Calendar for North Liberty

2026													DELIVERABLE
ACTIVITY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Data request sent to the City for previous year financial information Data is received and progress on deliverables begin	I												Data request
Meeting with Department Heads to review Utility five-year capital plans		V											Updated Five-Year Capital Plan
Preparation and delivery of Utility Financial Management Reports Present Utility Financial Management Reports			I										Utility Financial Management Reports Utility Financial Management Reports
Continuing disclosure filings				I	I	I	I	I	I				Bond disclosure (EMMA)
Budget assistance / review as requested Data request sent to the City for approved budget information								I	I	I			TBD Data request
Review 1782 Notice Year-End Check in meeting with Clark-Treasurer												V	
Arbitrage monitoring													Separate agreement

**Meeting key**

- I = In-person meeting
- V = Virtual meeting

1. Baker Tilly will confirm the above schedule with the client throughout the year in advance and propose adjustments as needed.
2. Baker Tilly will respond to email inquiries from the client within 2 calendar working days.
3. Additional questions/requests outside of the above deliverables that require extensive work or research will have a timeline that will be discussed and agreed upon by both the client and Baker Tilly.


Reviewed and Accepted by:

\_\_\_\_\_

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.

Signature,

BAKER TILLY ADVISORY GROUP, LP



Eric J. Walsh, Principal

**Signature Section:**

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

Name: Ray M

Title: President

Date: Sept 15, 2025



**FW: North Liberty Proposal**

From: Vicki Kitchen (vkitchen@northliberty.in.gov)

To: mlclerk@yahoo.com

Date: Friday, August 15, 2025 at 02:21 PM EDT

From: Walsh, Eric <Eric.Walsh@bakertilly.com>  
 Sent: Wednesday, August 6, 2025 6:39 PM  
 To: Vicki Kitchen <vkitchen@northliberty.in.gov>  
 Cc: Hartzler, Gabe <Gabe.Hartzler@bakertilly.com>; Hagen, Ross <Ross.Hagen@bakertilly.com>  
 Subject: North Liberty Proposal

Vicki-

As discussed in our meeting, I have went through historical hours and bills and would like to discuss a couple of options going forward to make our service more affordable and fixed fee. Below is a summary for a starting point. We can add/delete hours to make it fit your budget. I suggest Gabe setup a call for us to walk through this as we can get your feedback and tweak it based on that. I tried to be pretty aggressive on hours estimates (meaning lowest amount possible) and priced this as Gabe doing most of the work as a Senior consultant and Ross/myself reviewing and participating in some meetings.

Services	Actual Cost			Proposal #1 (current service)	Proposal #2 (add'l financial plan/SB1) Included below
	2023	2024	2025 YTD		
Utility Reports	\$ 24,100	\$ 17,300	\$ 26,400	\$ 27,000	\$ 2,000
Budget Prep/Review	\$ 5,200	\$ 1,500	\$ 1,500	\$ 2,000	\$ 2,000
Bond Disclosure (Required Annually)	\$ 1,500	\$ 1,000	\$ 1,800	\$ 2,000	\$ 2,000
Miscellaneous (Annex, rating, broadband, etc.)	\$ -	\$ 5,800	\$ -	\$ 3,000	\$ 3,000
Arbitrage (Required every few years)*	\$ -	\$ -	\$ 3,800		
Town-wide multi-year financial plan/SB1 impacts					\$ 50,000
Other:					**
Asset Management Plans	\$ 40,000				
Cost of Service Study	\$ 40,000				
Subtotal	\$ 110,800	\$ 25,600	\$ 32,000	\$ 34,000	\$ 57,000
BT + Discount				-15%	-15%
Total	\$ 110,800	\$ 25,600	\$ 32,000	\$ 29,000	\$ 48,000
			# of Hours Included	105	180
			Monthly Bill	\$ 2,417	\$ 4,000
			To be split amongst Town and Utility Funds		

\*Not included in the annual fees because not required annually. Would be time and expense when required. You will recall a few years ago we did a Town-wide financial plan. The far-right option includes that as we are seeing most clients needing this each year to plan for and adjust budgets and alternative revenues for SB1 impacts. As you can see the more hours/services the more efficient we can become (ie we can combine the utility reports and multi-year plan together in far right and have a lower rate per hour by doing both at the same time).

## Vicki Kitchen

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**From:** Walsh, Eric <Eric.Walsh@bakertilly.com>  
**Sent:** Thursday, August 7, 2025 9:15 AM  
**To:** Vicki Kitchen  
**Cc:** Hartzler, Gabe; Hagen, Ross; Marcel Lebbin; Tom England; Randy Lemert; Randy Lemert  
**Subject:** Re: North Liberty Proposal

We can go to this plan whenever you'd like. January is easiest so matches annual budget cycle, but we are flexible. We can also help you decide fund split for payment so it's same every month!

Eric J. Walsh, CPA  
Principal  
Baker Tilly Municipal Advisors, LLC

Sent from my phone. Apologies for any grammatical errors.

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**From:** Vicki Kitchen <vkitchen@northliberty.in.gov>  
**Sent:** Thursday, August 7, 2025 9:10:31 AM  
**To:** Walsh, Eric <Eric.Walsh@bakertilly.com>  
**Cc:** Hartzler, Gabe <Gabe.Hartzler@bakertilly.com>; Hagen, Ross <Ross.Hagen@bakertilly.com>; Marcel Lebbin <lebbin@gmail.com>; Tom England <uniquetoolingte@gmail.com>; Randy Lemert <rlemert@everwisecu.com>; Randy Lemert <randylemert@gmail.com>  
**Subject:** RE: North Liberty Proposal

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thanks, Eric, for the information. I will add to the next town council meeting agenda.

When would the billing start for these services? I need to incorporate into the 2026 budget for sure.

Thanks

Vicki Kitchen  
Clerk-Treasurer  
Town of North Liberty

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**From:** Walsh, Eric <Eric.Walsh@bakertilly.com>  
**Sent:** Wednesday, August 6, 2025 6:39 PM  
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**Cc:** Hartzler, Gabe <Gabe.Hartzler@bakertilly.com>; Hagen, Ross <Ross.Hagen@bakertilly.com>  
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