

RE: 2026 Utility Budgets

DATE: 9/19/2025

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

SCOPE OF WORK

Baker Tilly agrees to furnish and perform the following services for the Client.

A. Utility Budgets

1. Prepare one calendar year of historical financial statements for each utility and one recent test year.
2. Prepare 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 client 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) Prepare a schedule of suggested fund transfers and explanations, as necessary.
 - b) Analyze fund balances for funds available for capital expenditures.
5. Assist the utility in preparing an annual budget of estimated revenues and expenditures.
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 an evaluation of current rates.

COMPENSATION AND INVOICING

Fees for services set forth in the Scope Appendix will be billed at standard billing rates based upon the actual time and expenses incurred, with a not to exceed of twenty-five thousand dollars (\$25,000).

Standard Hourly Rates by Job Classification
9/1/2024

Title	Hourly Rate
Principals / Directors	\$420 - \$660
Managers / Senior Managers	\$290 - \$440
Consultants / Analysts / Senior Consultants	\$185 - \$300
Support / Paraprofessionals / Interns	\$115 - \$195

**Billing rates are subject to change periodically due to changing requirements and economic conditions. The Client will be notified of any change to fees. If Client does not dispute such change in fees within thirty (30) days of receiving the notification, Client will be deemed to have accepted such change. The fees billed will be the fees in place at the time services are provided. 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 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 other arrangements are made. 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

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

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,

BAKER TILLY ADVISORY GROUP, LP



André J. Riley, Principal

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: _____