



September 9, 2022

RuthAnne K. Hall
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Dear Ms. Hall:

Baker Tilly has received Lake County's (the County) intent to negotiate letter and request for clarifications on the scope and price of certain items. Below you will find an updated proposal price sheet and responses to your questions. Changes to the price sheet from the original are indicated in italics.

Updated fee schedule

	FY22	FY23	FY24	FY25	FY 26
County ACFR	\$140,380	\$147,400	\$153,300	\$159,430	\$165,810
Single Audit *	\$36,700	\$38,540	\$40,080	\$41,680	\$43,350
Health Dept Reports	\$3,180	\$3,340	\$3,470	\$3,610	\$3,750
Circuit Court Clerk	\$21,150	\$22,210	\$23,100	\$24,020	\$24,980
Public Works Audit	\$44,300	\$46,520	\$48,380	\$50,320	\$52,330
Public Works Regional Reports	\$11,820	\$12,410	\$12,910	\$13,430	\$13,970
<i>Financial Statement Preparation</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>
<i>Comptroller AFR</i>	<i>\$2,000</i>	<i>\$2,100</i>	<i>\$2,180</i>	<i>\$2,270</i>	<i>\$2,360</i>
<i>GFOA Award Application & Submittal **</i>	<i>\$500</i>	<i>\$530</i>	<i>\$550</i>	<i>\$570</i>	<i>\$590</i>
<i>GASB 87 - additional audit scope **</i>	<i>\$7,000</i>	<i>\$1,500</i>	<i>\$1,560</i>	<i>\$1,620</i>	<i>\$1,680</i>
<i>GASB 96 - additional audit scope **</i>	<i>N/A</i>	<i>\$6,000</i>	<i>\$1,560</i>	<i>\$1,620</i>	<i>\$1,680</i>
<i>GASB 87/96 - accounting assistance **</i>	<i>Hourly</i>	<i>Hourly</i>	<i>Hourly</i>	<i>Hourly</i>	<i>Hourly</i>
COUNTY TOTAL	\$267,030	\$280,550	\$287,090	\$298,570	\$310,500
Veteran's Assistance Commission	N/A	\$15,180	\$15,790	\$16,420	\$17,080
SWALCO	\$10,780	\$11,320	\$11,770	\$12,240	\$12,730
ETSB	\$11,360	\$11,930	\$12,410	\$12,910	\$13,430

* Assumes testing of three major federal programs.

** See additional information on following pages.

Does the proposal include Financial Statement Preparation? If not, please provide pricing.

Financial statement preparation

Yes, this is included in our fee for the audit.

Does the proposal include the AFR – Comptroller’s Office – Preparation? If not, please provide pricing.

Comptroller AFR preparation

Pricing for this item has been included in the updated fee schedule.

Does the proposal include the GFOA Award Application & Submittal? If not, please provide pricing.

GFOA award application and submittal

The amount noted in the updated fee schedule represents assistance in completing the award application. Submission and the related submission fee will be the responsibility of the County.

Does the proposal include pricing for the new GASB Pronouncement Implementation Costs for GASB 87 and GASB 96? If not, please provide pricing.

GASB 87 – additional audit scope

Please see the fee included in the updated fee schedule. The amounts noted are not-to-exceed amounts. Actual work will be billed at an hourly rate and therefore may be less than the amount noted. The fees for the year of implementation are greater as the entire population of leases will be subject to our audit tests. In future years, only changes to the population will be in scope.

GASB 96 -additional audit scope

Please see the fee included in the updated fee schedule. The amounts noted are not-to-exceed amounts. Actual work will be billed at an hourly rate and therefore may be less than the amount noted. The fees for the year of implementation are greater as the entire population of agreements will be subject to our audit tests. In future years, only changes to the population will be in scope.

GASB 87/96 - accounting assistance

As with the implementation of all new GASB pronouncements, we are happy to answer questions on implementation at no additional cost. Should you find you need accounting assistance, we will work with you on an appropriate fee prior to the commencement of any work.

For future GASB implementation costs, please include how these are estimated over the term of the contract.

Future GASB implementation costs

Each GASB is unique in how it will impact the County. Indeed, some new GASBs will have no impact on the County. As part of our standard audit fee, the audit team will work with the County to help determine the impact of each new GASB. We will also be ready and willing to answer questions on implementations at no additional cost.

When a new GASB expands the scope of the audit, we will work with you to develop an appropriate fee change to cover this additional time. Historically, most new GASBs result in no or a nominal cost increase.

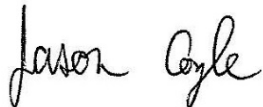
The parties have identified particular individuals as being critical to a project, key employees, and it is the understanding of the Lake County team, that the key employees from the Baker Tilly team that participated in the interview on August 26, 2022 between Lake County and Baker Tilly, are in fact the key employees assigned to the Lake County engagement. Please confirm this understanding.

Key team members

All team members who participated in the interview with the County are in fact the key team members who will be assigned and serve on the County audit team.

Thank you for your time and consideration. Please let me know if I can provide any additional clarifications or information.

Sincerely,



Jason Coyle, CPA, Partner
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Providing our hourly rates

When nonroutine matters arise outside the scope of the engagement, we will base our fees on our hourly rates. When possible, we will provide an estimate in advance of the time and expense we believe necessary to achieve your objectives. Final billings are always evaluated in light of value delivered. Our standard hourly rates are located below.

HOURLY RATES	
Staff level	Hourly rates (2022)
Partner/director	\$410
Senior manager	\$290
Manager	\$200
Senior	\$170
Staff	\$130

BAKER TILLY'S HOURLY RATES

We will base additional services on our hourly rates. We will always tell you if the assistance you need is out of scope and never perform additional work without approval.