



June 28, 2021

Rural Water District No. 10, Jefferson County, Kansas  
Attn: Lori Criqui, Treasurer  
9838 Delaware Drive  
Ozawkie, Kansas 66070

### **The Objective and Scope of the Services Provided**

You have requested that we provide advisory services for Rural Water District No. 10, Jefferson County, Kansas (the District) as detailed below. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

We will perform cash deposit procedures and report any missing deposits identified for the calendar years 2016 through 2020. We will also document any recommendations in internal controls for management as noted.

Our performance of services related to this project is dependent on the District providing us with accurate and timely information and assistance as we may reasonably require from time to time. We assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided by and on behalf of management. The District acknowledges that in the course of this project we may assist the client in the preparation of certain analysis and documentation. These analysis and documentation represent the District's documents and not ours. The determination of the appropriate accounting treatment and/or financial statement presentation is the sole responsibility of management. We make no representation regarding the sufficiency of the work either for purposes for which this analysis or information has been requested or for any other purpose. Our observations and advice should not be taken as any form of concurrence, conclusion or opinion that we agree with or support the proposed accounting and reporting for matters subject to our services. Our role is one of facilitating management's analysis as it reaches its own conclusions.

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The procedures to be performed will not constitute an audit, review, or compilation of the District's financial statements or any part thereof, nor the external examination of management's assertions concerning the effectiveness of the District's internal control systems or an examination of compliance with laws, regulations or other matters. Accordingly, our performance of the procedures will not result in the expression of an opinion or any other form of assurance on the District's financial statements or any part thereof, nor an external opinion or any other form of assurance of the District's internal control systems or its compliance with laws, regulations or other matters.

Our services under this arrangement letter do not include services for tax return preparation, tax advice or representation in any tax matter. Nevertheless, we may discuss with you certain tax considerations or provide you with tax information that may be relevant to our services. Any such discussions or information would be based upon limited tax research, limited due diligence and limited analysis regarding the underlying facts. Because additional research or a more complete review of the facts could affect our analysis and conclusions, the information provided during these discussions should not be used as the basis for proceeding with any transaction or any tax return reporting.

### **The Responsibilities of Management**

The financial statements are the responsibility of the District's management. You acknowledge that other management responsibilities include maintaining adequate records and effective internal controls over financial reporting, selecting and applying accounting principles, and safeguarding assets. We will not perform any management functions, make management decisions or otherwise perform in a capacity equivalent to that of your employees or officers.

While performing the work as outlined in this letter, we may advise the District about appropriate accounting principles and their application, but the responsibility for the financial statements remains with the District. As part of our engagement, we may also propose adjusting or correcting journal entries to the District's financial statements. However, management has the final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding management has designated Lori Criqui to oversee such services; evaluate the adequacy and results of the services performed; accept responsibility for the results of the services; and establish and maintain internal controls, including monitoring ongoing activities.

The District agrees that it will not include our deliverables, or otherwise make reference to us, in any public or private securities offering without first obtaining our permission. Any such request is also a matter for which separate arrangements will be necessary. After obtaining our permission, the District also agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the District seeks our permission, we will be under no obligation to grant such permission or approval.



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## **Records and Assistance**

If circumstances relating to the conditions of your records were to arise during the course of our work that, in our professional judgment, prevent us from completing the engagement, we will notify you promptly. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the District's books and records. The District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.

## **Other Relevant Information**

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers, and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

## **Fees and Expenses**

Our maximum fees for the services described in this letter will not exceed \$ 6,250.

Fees for services of this type are always difficult to estimate. If circumstances are encountered that affect our ability to proceed according to the plan outlined above, such as major scope changes, loss of key Client personnel, unavailable information, or undetermined or requested scope changes during our scoping efforts, we will inform you promptly and seek your approval for any changes in scope, timing or fees that may result from such circumstances.

Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from District personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement



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If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

In the event we are requested or authorized by the District or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the District, the District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

You agree that you will not make reference to us in any public or private securities or debt offering.

### **Termination**

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Arrangement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Arrangement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Arrangement Letter will no longer apply. In order for us to recommence work, the execution of a new Arrangement Letter will be required.

We may terminate this Arrangement Letter upon written notice if: (i) we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical



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standards, or our client acceptance or retention standards; or (ii) you are placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, you or any of your affiliates is placed on a verified sanctioned person list, in each case, including, but not limited to, lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union, or any other relevant sanctioning authority.

### **Indemnification and Claim Resolution**

Because BT&Co., P.A. will rely on the District and its management and Board of Directors to discharge the foregoing responsibilities, the District holds harmless and releases BT&Co., P.A. and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the District's management that has caused, in any respect, BT&Co., P.A.'s breach of contract or negligence.

The District and BT&Co., P.A. agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the agreed-upon deliverable(s) report issued by BT&Co., P.A. or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. BT&Co., P.A.'s liability for all claims, damages and costs of the District arising from this engagement is limited to the amount of fees paid by the District to BT&Co., P.A. for the services rendered under this arrangement letter.

These provisions shall survive the termination of this arrangement for services.

### **Information Security – Miscellaneous Terms**

BT&Co., P.A. is committed to the safe and confidential treatment of the District's proprietary information. BT&Co., P.A. is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein.

### **Our Agreement**

This letter constitutes the complete and exclusive statement of agreement between BT&Co., P.A. and the District, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.



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### **Electronic Signatures and Counterparts**

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, “electronic signature” includes, but is not limited to, (i) a scanned copy (as a “pdf” (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or “printouts,” of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement, including our respective responsibilities.

We want to express our appreciation for this opportunity to work with you.

Sincerely,

BT&CO., P.A.

A handwritten signature in black ink that reads "Cynthia Darting". The signature is written in a cursive style with a large, looped initial "C".

Cynthia Darting  
Director

CD:tls



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Confirmed on behalf of Rural Water District No. 10, Jefferson County, Kansas:

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Date