

RE: Municipal Advisory Services – Comprehensive Financial Plan

DATE: March 30, 2022

This Scope Appendix is attached by reference to the above-named engagement letter (the “Engagement Letter”) between School City of Mishawaka, Indiana (the “Client”) and Baker Tilly US, LLP and relates to services to be provided by Baker Tilly Municipal Advisors, LLC.

SCOPE OF WORK

Baker Tilly Municipal Advisors, LLC (“BTMA”) will perform the following services:

A. Comprehensive Financial Plan (Consulting Services)

Assist the Client in the update and development of a five-year financial model as follows:

1. Assist with the development of a cash flow model as detailed below for major funds to include:
 - a. Referendum Fund – Exempt Operating (0022)
 - b. Rainy Day (0061)
 - c. Education (3101)
 - d. Operations (3300)
 - e. Debt Service (0180)
 - f. Referendum Debt – Exempt Capital (0287)
2. Analyze historical financial information of all major operating funds of the Client for the years ended December 31, 2019 through December 31, 2021 based upon reports and records of the Client, in order to identify trends in revenues, expenditures and fund balances.
3. Develop estimated financial information for all major operating funds of the Client for the calendar years 2022 through and including 2026. Provide estimates of property tax collections, circuit breaker tax credits, income tax collections and planned expenditures for Client operations, maintenance, capital expenditures and debt service requirements.
4. Recommend a level of minimum fund balances to be maintained.
5. Identify fund balances within non-major funds that may be available to fund Education and Operations Funds or other operating expenditures and provide a description of the authorized uses of fund balances.
6. Identify potential shortfalls in revenues and provide suggestions, as available, to bridge funding gaps.
7. Provide a preliminary report of our findings and recommendations to the Client and present a summary of the report to the School Board.

B. Additional Services (Consulting and Municipal Advisory Services)

1. Capital Financing Plan: Review the Client’s capital plan to identify potential opportunities to enhance the Client’s expected cash flows.
2. Debt Management: Review the Client’s existing debt structure to identify potential opportunities to restructure or refinance debt service obligations to enhance future cash flows.
3. Banking Relationships: Conduct a preliminary review of the Client’s current banking and investment policies to identify areas for potential cost reduction or revenue improvement.

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Engagement Letter dated: March 30, 2022
Between School City of Mishawaka, Indiana and
Baker Tilly US, LLP**

COMPENSATION AND INVOICING

Fees for services set forth in the Scope Appendix will be billed at BTMA's standard billing rates based upon the actual time and expenses incurred. Total fees will not exceed Forty Thousand (\$40,000) without further authorization by the Client.

Standard Hourly Rates by Job Classification
1/1/2021

Partners / Principals / Directors	\$240.00	to	\$500.00
Managers	\$200.00	to	\$325.00
Senior Consultants	\$150.00	to	\$250.00
Consultants	\$135.00	to	\$200.00
Municipal Bond Disclosure Specialists	\$120.00	to	\$190.00
Support Personnel	\$110.00	to	\$150.00
Interns	\$90.00	to	\$110.00

- *Billing rates are subject to change periodically due to changing requirements and economic conditions. 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 by Baker Tilly with the exception of expenses incurred for mileage which will be billed on a separate line item. No such expenses will be incurred without the prior authorization of the Client. The fees do not include the charges of other entities such as rating agencies, bond and official statement printers, couriers, newspapers, bond insurance companies, bond counsel and local counsel, and electronic bidding services, including Parity[®]. Coordination of the printing and distribution of Official Statements or any other Offering Document are to be reimbursed by the Client based upon the time and expense for such services.

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.

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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 computations, and/or continuing disclosure engagement, ("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.

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,



Todd A. Samuelson, Partner



Lindsay Simonetto, Director

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: _____