



BARNES DENNIG

Accounting • Tax • Business Insight

KENTUCKY

CRESTVIEW HILLS OFFICE

2617 Legends Way

Crestview Hills, KY 41017

Main: 859.344.6400

Fax: 859.578.7522

December 5, 2023

Annette Burtschy
Covington Independent Public School
25 E 7th Street
Covington, KY 41011

Dear Annette:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call to discuss this letter before you sign it.

NATURE OF SERVICES

Technical Accounting Research, Analysis and Consultation

We will provide research, analysis and consulting on technical accounting matters as agreed upon in the attached Statement of Work. The Statement of Work is subject to changes based on the identification of future technical accounting research, analysis and consultation needs and those changes including the scope of the work and deliverables will be agreed upon between Barnes Dennig & Co., Ltd and Covington Independent Public School and subject to the terms of this agreements.

Our engagements are solely to assist Covington Independent Public School in determining the accurate accounting treatment, reporting or disclosure requirements for transactions analyzed. We will be relying on the accuracy, reliability and completeness of information provided by your company and will not perform an audit or review of the transactions. Covington Independent Public School retains responsibility for the selection of accounting methods and for determining the appropriate accounting or reporting and disclosure requirements. Changes to any agreements analyzed, or to the relevant accounting standards or regulations, could modify the conclusion in our analysis. We do not assume the responsibility for updating our conclusions for subsequent events. Application of accounting principles generally accepted in the United States of America can involve judgement and some transactions may not be specifically addressed in accounting principles generally accepted in the United States of America. Therefore, you acknowledge that differences in opinion can exist.

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It is our policy to keep records related to this engagement for seven years. However, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agency. Our engagement cannot be relied upon to disclose errors, irregularities, illegal acts, including fraud or defalcations, or to provide assurance on internal control or to identify deficiencies in internal control, that may exist. However, we will inform you of any such matters that come to our attention.

MANAGEMENT RESPONSIBILITIES

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements, for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, for informing us about all known or suspected fraud affecting the Covington Independent Public School involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements, for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Covington Independent Public School received in communications from employees, former employees, regulators, or others, and for identifying and ensuring that the entity complies with applicable laws and regulations.

In order to remain independent, we are unable to, and will not, make management decisions as part of our services. We can advise management of the applicable accounting guidance, but you assume all management responsibilities for our consultative services including, but not limited to, approving of any journal entries and financial statement disclosures, and the underlying judgements made. You have designated Gina Amos who has suitable skill, knowledge or experience, to oversee our services, to evaluate the adequacy and results of our service, and to accept responsibility for them.

DISPUTE RESOLUTION

Any dispute or claim arising out of or relating to this agreement now or thereafter (including any such matters involving any parent, subsidiary, affiliate, successor in interest, subcontractor, or agent) shall be submitted first to voluntary mediation.

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement, either party may, upon written notice to the other party, request facilitated negotiations. Such negotiations shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute. If the parties cannot agree to a mediator, a mediator shall be designated by the American Arbitration Association (AAA). Any mediator so designated must be acceptable to all parties.

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Each party may disclose any facts to the other party or to the facilitator which it, in good faith, considers necessary to resolve the dispute. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed to by both parties, the facilitator shall keep confidential all information disclosed during negotiations. The facilitator shall not act as a witness for either party in any subsequent arbitration between the parties.

Such facilitated negotiations shall conclude within ninety days from receipt of the written notice unless extended by mutual consent. The parties may also agree at any time to terminate or waive facilitated negotiations. The costs incurred by each party in such negotiations will be borne by each respective party. The fees and expenses of the facilitator, if any, shall be borne equally by the parties.

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement and cannot be resolved by facilitated negotiations (or the parties agree to waive that process), such dispute, controversy or claim shall be settled by arbitration in accordance with the laws of the State of Ohio and the then-current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitration panel, and shall take place in Ohio, unless the parties agree to a different locale.

Such arbitration shall be conducted before a panel of three persons ("selected arbitrators"), one chosen by each party and the third selected by the two parties together. The arbitration panel shall have no authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages. The confidentiality provisions applicable to facilitated negotiation shall also apply to arbitration.

The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. All reasonable costs of both parties, as determined by the arbitrators, including but not limited to: (1) the costs, including reasonable attorneys' fees, of the arbitration; (2) the fees and the expenses of the AAA and the arbitrators; and (3) the costs, including reasonable attorneys' fees, necessary to confirm the award in court shall be borne entirely by the non-prevailing party (to be designated by the arbitration panel in the award) and may not be allocated between the parties by arbitration panel.

FEES FOR SERVICES AND BILLING TERMS

Our fees for these services will be based on our standard billing practices which generally considers the actual time spent at our standard hourly rates as well as the value of the services provided. Travel and other out-of-pocket costs such as report production, typing, postage, etc. will be billed separately. Any travel or related expenses must be preapproved by Covington Independent Public School in writing. Our standard hourly rates vary according to the degree or responsibility involved and the experience level of the personnel assigned to your engagement. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. It is our policy to assess a late charge of 1.5% per month (18% per annum) on the unpaid balance of all undisputed accounts over 30 days past due. Late charges will show as a separate line item on monthly statements. Additionally, work may be suspended if your account

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becomes 90 days or more overdue and will not be resumed until your account is paid in full. Further, we will not be responsible for any losses incurred as a result of such work stoppage. You will assume responsibility for any such losses.

Our fees may increase by a small percentage (less than 5%) as a result of our firm's semi-annual review of our hourly rates.

LIMITATION OF LIABILITY

Except to the extent finally determined to have resulted from Barnes, Dennig & Co., Ltd.'s fraudulent behavior or willful misconduct: Barnes, Dennig & Co., Ltd.'s maximum liability to the Covington Independent Public School for any reason including Barnes, Dennig & Co., Ltd.'s negligence, related to the services under this letter shall be limited to the fees paid to Barnes, Dennig & Co., Ltd. for the services or work product giving rise to liability. Neither party to this engagement letter will directly or indirectly agree to assign, transfer, or sell to anyone any claim against the other party arising out of this engagement letter.

TRIAL BY JUDGE

In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, we both recognize that the matter will probably involve complex business or accounting issues that would be decided most equitable to us by a judge heard the evidence without a jury. Accordingly, you and we agree to waive any right to a trial by jury in any action, proceeding, or counterclaim, arising out of or relating to our services and fees for this engagement.

LIMITATIONS ON CLAIMS

It is agreed by the parties that this agreement, or any successors in interest, that no claim arising out of services rendered pursuant to this agreement by or on behalf of the Covington Independent Public School shall be asserted more than two years after the date of issuance of the corresponding report by Barnes Dennig & Co., Ltd, unless a shorter limit is imposed by the controlling state law.

ELECTRONIC DATA

We will maintain various physical, electronic, policy, and procedural safeguards to guard your information and personal data. We may communicate with you and/or store data through email, facsimile, third-party vendor secured portals or cloud environments, or other electronic means. If a more secure medium of communicate is desired, we will provide you with various electronic alternatives. Electronic data that is confidential may be transmitted and/or stored using these methods and you authorize us to do so. Notwithstanding the security measures and safeguards employed by us and/or our third-party vendors, you accept that we have no control over the unauthorized interception or breach of communications and/or data. All confidential, proprietary, and personally identifiable information should be transmitted through secure means which we have available. We may communicate with you or your other representatives through unencrypted email and you authorize us to do so. Emails can be intercepted and read, disclosed, or otherwise used or shared with an unintended third party, or may not be delivered to each of the parties or persons to whom they were originally directed. As such we cannot guarantee emails will be read

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only by the intended recipient(s). In the event of a data breach, each of us agrees to notify each other in the most expedient time possible and without unreasonable delay. We specifically disclaim and waive any liability or responsibility whatsoever for the unauthorized interception and/or disclosure of confidential or proprietary information transmitted in connection with the performance of this engagement, except to the extent determined as a result from our gross negligence or willful misconduct. We will notify you promptly if we become aware of any breach or interception of your confidential information or personal/company data.

FEES FOR PRODUCTION REQUESTS

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

USE OF OUR REPORTS IN PUBLIC OR PRIVATE OFFERING OF EQUITY OR DEBT SECURITIES

Our professional standards require that we perform certain additional reviews and other procedures whenever our reports are included, or we are named as accountants, auditors or "experts" in a document used in a public or private offering of equity or debt securities. Accordingly, you agree that you will not include our reports, or otherwise make reference to us, in any public or private securities offering without first obtaining our consent. Any request to consent is a matter for which separate arrangements will be necessary.

TERMINATION OF SERVICE FOR NONPAYMENT

If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed the service(s) noted in this letter. You will be obligated to compensate us for all time expended, and to reimburse us for all our out-of-pocket costs, through the date of termination.

INDEMNIFICATION FOR INACCURATE OR INCOMPLETE INFORMATION PROVIDED

In the event that we become obligated to pay any judgment or similar award, agree to pay any amount in settlement, and/or incur any costs as a result of any inaccurate or incomplete information that you provide to us during the course of this engagement, you agree to indemnify us, defend us, and hold us harmless as against such obligations, agreements, and/or costs.

In the event of any third-party claim arising under this section, we shall notify Covington Independent Public School as soon as reasonably practicable of any claim/cause of action that may be the subject of a claim for indemnification under this Section. Failure to provide timely notice may reduce or eliminate Covington Independent Public School's indemnification obligation

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if and to the extent the resulting delay is prejudicial to the defense of the claim. Covington Independent Public School shall have the right to manage such defense, including the right to select defense counsel and settle or resolve any such claim; provided, however, that any settlement or other outcome that requires an admission of liability on the part of us shall not be made without our prior, express, written consent. Barnes, Dennig & Co., Ltd. shall, at its option and expense, be entitled to be represented by its own counsel in any such claim arising under this Section.

ALLINIAL GLOBAL

Barnes, Dennig & Co., Ltd. is a member of Allinial Global, an association of legally independent member firms. Neither the other member firms nor Allinial Global is responsible or accepts liability for the work or advice which Barnes, Dennig & Co., Ltd. provides to its clients, and in signing and returning to us the enclosed copy of this Engagement Letter, you acknowledge and accept that such other member firms and Allinial Global do not owe you any duty in relation to the work or advice which we will from time to time provide to you or are required to provide to you.

OTHER TERMS

This engagement is a contract and includes all the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties relating to the services to be performed under this Agreement. Any material changes or additions to the terms set forth in this letter will become effective only if evidenced by a written amendment to this letter, signed by all the parties.

If any portion of this letter is held invalid, it is agreed that such invalidity shall not affect any of the remaining portions.

CONCLUSION

We appreciate the opportunity to be of service to you and believe that this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,

BARNES, DENNIG & CO., LTD.

DocuSigned by:
By: Eric J. Goodman, CPA
Eric J Goodman
Engagement Director
Barnes, Dennig & Co., Ltd.

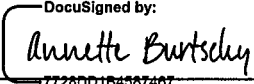
EJG/kls

RESPONSE:

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This letter correctly sets forth the understanding of Covington Independent Public School:

Signature: DocuSigned by:

7728DD1B4587487...

Title: Finance Director

Date: 12/5/2023

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Statement of Work

Barnes Dennig will perform technical accounting research, analysis, and consultation to assist Covington Independent Public School with the implementation of GASB 96 as requested by Covington Independent Public School.

- Review contracts and advise on the proper subscription-based IT arrangements accounting treatment, as requested
- Provide consultation on tools available to calculate the required journal entries
- Assist with the calculation of journal entries, as requested
- Draft financial statement disclosures required by GASB 96
- Other general consulting on GASB 96, as requested

Standard hourly billing rates for the above projects will be within the following ranges based on the specific personnel and experience levels working on the projects:

Director:	\$475
Manager:	\$285



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150 East Fourth Street | Cincinnati, OH 45202 | Tel 513.241.8313 | Fax 513.241.8303
2617 Legends Way | Crestview Hills, KY 41017 | Tel 859.344.6400 | Fax 859.578.7522
40 North Main Street, Suite 2000 | Dayton, OH 45423 | Tel 937.223.7272 | Fax 937.223.1060
8470 Allison Pointe Blvd, Suite 200 | Indianapolis, IN 46250 | Tel 317.572.1130 | Fax 317.863.0694

Annette Burtschy
Covington Independent Public Schools
25 E. 7th Street
Covington, KY 41011

Invoice No.: 230221
Date: 11/29/2023
Client No.: 582350

Final bill related to the audit of the June 30, 2023 financial statements	\$ 32,100.00
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Additional billing related to the implementation of GASB 96 Software Based IT Arrangements	5,100.00
Less: Progress bills	(31,800.00)

1875

Total Amount Due	\$ <u>5,400.00</u>
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rec'd
12-1-23

Please remit to : Barnes Dennig . PO Box 933309 . Cleveland OH 44193

For ACH Payments:
PNC Bank, N.A. ABA Routing #: 021052053
249 Fifth Avenue Account #: 51882237
Pittsburgh, PA 15222

Client Name: Covington Independent Public Schools
Client No.: 582350
Invoice No.: 230221
Invoice Amount: 5,400.00

Enclosed Amount : \$ _____

*For Paperless Billing please email AccountsReceivable@barnesdennig.com

