



March 5, 2024

City Council and Management
City of Deadwood, South Dakota
102 Sherman Street
Deadwood, South Dakota 57732

Please allow us 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 constitutes an agreement between the City of Deadwood, South Dakota (the City) and Casey Peterson, LTD.

We will assist the City in preparing for the **2022** audit. Our services will include:

- preparing audit workpapers;
- reviewing account reconciliations;
- preparing account reconciliations where not already performed by staff; and
- analyzing account balances to identify errors and identifying the journal entries necessary to correct those errors.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

Our fees for these services are based on time spent and will be calculated at our regular hourly rates as listed below:

Associate Staff	\$145
Senior Staff	\$180
Manager	\$200
Shareholder	\$250

You will also be billed for travel costs, if applicable. We anticipate our fees for these services will not exceed \$20,000. If it is determined our fees will exceed this amount, we will obtain approval from management and/or the City Council before proceeding with our work and incurring the additional fees. Invoices for these fees may be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. The City further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of the City's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services.

This engagement does not contemplate the preparation of financial statements. Any additional accounting services not listed above will be outlined in a separate engagement letter and billed separately.

We value every one of our clients as well as every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request you do not solicit our employees to work for you. Casey Peterson, LTD reserves the right to charge a finder's fee of up to 50% of the annual salary for any employees solicited and hired by you.

In connection with this engagement, we may communicate with you or others via personal fax or e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that e-mails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure or communication of e-mail transmissions, or the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is our policy to keep electronic records related to this engagement for seven years. Casey Peterson, LTD does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible future use, including potential examination by any government or regulatory agencies. Casey Peterson, LTD does not accept responsibility for hosting client information. Therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data, and records. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Casey Peterson, LTD shall be free to destroy our records related to this engagement.

We may from time to time and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality terms with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure appropriate confidentiality terms with a third-party service provider, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your confidential information with such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes. The costs of any mediation proceeding shall be shared equally by all parties.

The City and Casey Peterson, LTD both agree that any dispute over fees charged by Casey Peterson, LTD to the City will be submitted for resolution by arbitration in accordance with the American Arbitration Association’s applicable rules for resolving professional accounting and related services disputes, except that under all circumstances the arbitrator must follow the laws of the applicable state. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and, instead, we are accepting the use of arbitration for resolution. The prevailing party shall be entitled to an award of reasonable attorneys’ fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the 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 it and return it to us.

Sincerely,

Casey Peterson, LTD

Casey Peterson, LTD

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Deadwood South Dakota by:

Signature _____

Title (Management Representative) _____

Date _____

Signature _____

Title (City Council Representative) _____

Date _____