OHIO AUDITOR OF STATE
KEITH FABER

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EXTENSION AGREEMENT

This Agreement between **Auditor of State Keith Faber** (Auditor), **Village of North Baltimore**, **Wood** **County** (Public Office), and **Charles E. Harris & Associates, Inc** an independent public accountant (IPA), extends an existing agreement between these parties as identified in SECTION I below and incorporated herein by reference. These parties agree to abide by all terms and conditions of the original agreement, except as specifically identified in Section II below, and that **no remuneration will be granted in relation to work performed under this modification/extension prior to the execution of this Agreement by all parties.**

SECTION I – ORIGINAL CONTRACT INFORMATION

Public Office Name on RFP	Village of North Baltimore		
Original Contract Period	January 1, 2019 - December 31, 2024		
Date RFP was issued	August 25, 2020	Date MOA Executed	August 25, 2020
Public Office Contact	Justin Overmyer, Fiscal Officer	E-mail	nbfinance@northbaltimore.net
IPA Contact	John Phillips	E-mail	jojn.phillips@cehcpas.com

SECTION II –EXTENSION INFORMATION

2025 will be a one-year single audit. 2026-2027 will be a biennial.

Extension Period: January 1, 2025 to December 31, 2027

Check one: Annual Audit ✔ or Biennial Audit ✔

The RFP and related contract are hereby amended for the audit periods noted above as follows:

Work Papers, Work Product, and Records Retention

The IPA will maintain all engagement documentation in segregated files. The IPA agrees to provide the Auditor of State unconditional access to examine and review engagement documentation created or obtained by the IPA involving its performance under the contract. The IPA agrees to provide copies of any engagement documentation determined necessary by the Auditor of State. The Auditor of State is bound by ORC 4701.19, which provides that an IPA's engagement documentation remains the property of the IPA, even in the possession of the Auditor of State's office, and are not public records available for public disclosure. In the case of support for a finding for recovery, the Auditor of State may request the IPA to sign a limited waiver of this statutory provision. The IPA also will maintain and provide access to timesheets and expense reports that support the IPA's invoices under the contract. All such engagement documentation, timesheets, and expense reports shall be retained by the IPA for a period of five (5) years from the date of completion of the contract.

Review of Reports and Work Papers - Access to / Retention Thereof

Upon completion of the engagement, the IPA will issue the reports thereon and provide an electronic portable document format (pdf) file to the Auditor of State at the following address:

ipareport@ohioauditor.gov

In addition, the IPA shall approve the list of recipients from the client's eServices account and any default recipients based on the entity type. The Client Recipient List must be approved by the IPA via the IPA Portal prior to submitting the report to ipareport@ohioauditor.gov. **Please note, the report is not considered "submitted" until all required information is received by the Auditor of State at the e-mail address above.**

SECTION II – EXTENSION INFORMATION (continued)

The Auditor of State's Center for Audit Excellence (CFAE) will perform desk reviews of all released reports. At the conclusion of each review, notification of the results of the review will be sent to the IPA and the Auditor of State's Regional Office for appropriate authorization regarding release of IPA remaining fees. The Auditor of State reserves the right to delay the release of fees and require corrective action if the engagement is not performed in accordance with the required professional standards and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, when applicable.

In addition to such desk report review, some engagements will be judgmentally selected to undergo work paper reviews. The IPA will receive notice of such reviews.

Should the reviews of reports or work papers indicate performance under this agreement is not in accordance with applicable professional standards or Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Auditor of State, in his sole judgment, may require performance of additional work, including possible report revisions, by the IPA in accordance with the fee provisions incorporated within the contract as originally endorsed by the parties thereto.

Costs associated with the Auditor of State contract administration and quality review processes will be borne by the Village of North Baltimore**.** The Auditor of State's billing statements are available through the office's eServices portal located at https://eservices.ohioauditor.gov.

Authorized client contacts must activate their eServices login to access and/or update information regarding their customer account, including entity contact information, billing and payments, and an eCheck option for online payments. Authorized users are encouraged to keep eServices contact information updated.

Auditor of State billing statements are prepared monthly, and are sent to clients who have an outstanding balance through a paperless electronic billing system. Audit Services are charged monthly. The Village of North Baltimore will receive an email notification at the beginning of the month that a statement is available for review. The Village of North Baltimore should access their billing statement upon receipt through eServices, and payment is due by the date identified on the statement.

All engagement documentation and reports will be made available to the Auditor of State's office **unconditionally,** and must be retained, at the IPA firm's expense, for a minimum of five (5) years from the date of approval of the final reports, unless the firm is notified in writing by the Auditor of State or Village of North Baltimore of the need to extend the retention period.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers, and make copies as determined necessary by the Auditor of State, relating to matters of continuing accounting significance as appropriate in accordance with AU-C 210 and AU-C 510.

Furthermore, should it be necessary for AOS to send a notice of proposed finding regarding a potential finding for recovery, AOS will require the IPA to execute a limited waiver, to be prepared by AOS. It is the AOS' policy to allow the individual subject to the proposed FFR to review the engagement documentation (i.e. work papers) on which the proposed finding is based. Since Ohio Rev. Code § 4701.19 provides that an IPA's engagement documentation remains the property of the IPA, even in the possession of the AOS, it is necessary for the IPA to execute the limited waiver for the sole purpose of permitting AOS to show supporting documents (i.e, work papers) to those subject to proposed findings for recovery.

Federal Awards

The IPA firm anticipates 1 major programs to be included in the Single Audit testing for each year of the contract.

SECTION II – EXTENSION INFORMATION (continued)

Contract Modifications

Modifications should only be requested for issues which were not known at the time of the original proposal, including but not limited to, changes in accounting or professional standards, changes in reporting entity, significant changes in funding, due date changes, etc. IPAs must utilize the Contract Modification application via the IPA Portal, after any necessary discussions with the Auditor of State representative, and obtain the Public Office's approval per the Auditor of State's contract modification policy. The Auditor of State will review, and if determined appropriate, approve the signed contract modification, which will set forth the terms of the contract between the Auditor of State, the Public Office and the firm. **Such agreement must be executed by the Auditor of State prior to the performance of any additional work. No remuneration will be granted in relation to work performed prior to execution of such agreement**. Any additions or reductions to the work agreed to between the Public Office and the firm shall be at an hourly rate that will not exceed the average hourly rate for the corresponding fiscal period set forth in the schedule of fees and expenses included in the original dollar cost bid, except in limited circumstances approved by the Auditor of State where the total cost for the audit period does not exceed the original proposed amount.

The IPA agrees to work closely with the Auditor of State's office and the Public Office to resolve issues as they arise prior to performance of additional procedures perceived to be beyond the scope of a prudent proposal submitted in response to this Request for Proposals.

Note: If the contract requires MBE/EDGE participation (Section I.E), any change in hours must be evaluated to determine the impact on the 15% cost requirement. Any change in cost would impact the dollar amount required to be set aside for the MBE/EDGE firm. If the modification causes the hours to exceed 800, a MBE/EDGE firm must be added to the engagement for the affected period.

Hinkle Annual Financial Data Reporting System (Hinkle System)

As required by Ohio Revised Code 117.38, local public offices must file their annual financial reports with the Auditor of State (AOS). As described in Auditor of State Bulletin 2015-007, all entities required to file with the AOS must file electronically via the Hinkle Annual Financial Data Reporting System (Hinkle System).

As required by the Bulletin, any independent public accounting (IPA) firms contracted to perform audits for the AOS will audit the financial statements uploaded and submitted to the AOS via the Hinkle System. At the commencement of the audit, the IPA will verify with the entity that the financial statements submitted via the Hinkle System are the final, unaudited financial statements for the audit period. If the financial statements required modification, the entity must contact the AOS at HinkleSystem@ohioauditor.gov in order to re-file.

When financial statements filed via the Hinkle System are audited by the IPA firm, the Hinkle System will include an audit adjustment application which requires the IPA firm to key in audit adjustments for cities, counties, schools, community schools, townships, libraries and villages to Hinkle System data as part of the audit finalization procedures. The adjustments should be entered prior to submitting the final report package to ipareport@ohioauditor.gov.

Manner of Payment

The Auditor of State requires that electronic invoices be submitted for Auditor of State approval via the IPA Portal billing process prior to presenting the invoice to the Public Office for payment. No payments should be processed by the Public Office without Auditor of State approval.

Progress payments should be made on the basis of **work completed during the billing period** incurred in accordance with the firm's cost proposal. Interim billings shall cover a period of not less than a calendar month. Billings for work completed must be submitted to the Auditor of State timely.

For the final billing, invoices will be processed as above; however, they must provide total actual hours for the engagement. In addition, invoices must be submitted no later than 90 days after the release of the report by the Auditor of State's Clerk of the Bureau. Invoices may NOT be permitted to be submitted and accepted for processing after the 90 days have expired.

SECTION II – EXTENSION INFORMATION (continued)

All invoices must certify that all amounts set forth therein are properly due and payable for work performed by the IPA and/or by the specified qualified subcontractors, if applicable.

Subject to approval of the billing, the amount paid to the IPA for each billing shall be the total amount billed. However, under no circumstances shall the total amount paid prior to final acceptance of the engagement work for the fiscal period in question exceed eighty (80) percent of the total fee for the current engagement fiscal period, as specified in the contract. Upon approval of the final reports by the Auditor of State, the IPA may submit an invoice for the remainder due for the current engagement fiscal period. No payment shall be construed as acceptance of the engagement work or of any reports by the Auditor of State.

The Auditor of State may inspect the records and work papers of the IPA and of any subcontractor to determine the validity of billings. Adequate records shall be maintained by the IPA to support all billings.

Date Final Report is Due

It is anticipated this process will be completed and the final report delivered by 6/30 **for each engagement period of the contract.** The final report package should be e-mailed to ipareport@ohioauditor.gov **no later than this date.**

Affirmations

The IPA shall mark "Affirmed" or "N/A," as applicable, for each of the affirmations noted in the attached Mandatory Elements Form.

Cost: Refer to the attached Schedule of Professional Fees and Expenses for details related to the costs associated with this Extension.

Indemnification

The IPA shall indemnify, defend, and hold harmless the Auditor of State, and its personnel, officers, and employees from and against any claims, liabilities, expenses or suits relating to this Agreement or the services provided by the IPA under this Agreement as to any suit, action, or claim asserted or prosecuted by third parties solely for death, bodily injury, or physical damage to real or tangible personal property to the extent directly and proximately caused by the negligent acts or intentional misconduct of the IPA or its subcontractor while engaged in the performance of the Services; and, at its own expense in any such instances, the IPA shall pay all attorneys' fees, damages, court costs, and other expenses arising out of any such litigation or claim; and, at its own expense, the IPA shall satisfy and cause to be discharged any judgments as may be obtained against the Auditor of State or any of its personnel, officers, or employees pursuant to any such litigation or claim, provided, however, if there is also fault on the part of any entity or individual indemnified hereunder or any entity or individual acting on the Auditor of State's behalf, the foregoing indemnification shall be on a comparative fault basis.

The IPA shall indemnify, defend and hold harmless the Auditor of State and its personnel from all Claims attributable to the claims or suits asserted or prosecuted by third parties for infringement by a Deliverable of any patent existing at the time of delivery and known to the IPA or copyright or any unauthorized use of any trade secret, except to the extent that such infringement or unauthorized use arises from, or could have been avoided except for (i) modification of such Deliverable other than by the IPA or its subcontractors or use thereof in a manner not contemplated by the Agreement, (ii) the failure of the indemnified party to use any corrections or modifications made available by the IPA, (iii) information, materials, instructions, specifications, requirements or designs provided by or on behalf of the indemnified party, or (iv) the use of such Deliverable in combination with any platform, product, network or data not provided by the IPA. If the Auditor of State or the Client's use of any such Deliverable, or any portion thereof, is or is likely to be enjoined by order of a court of competent jurisdiction as such an infringement or unauthorized use, the IPA, at its option and expense, shall have the right to (x) procure for Auditor of State and Client the continued use of such Deliverable, (y) replace such Deliverable with a non-infringing Deliverable, or (z) modify such Deliverable so it becomes non infringing; provided that, if (y) or (z) is the option chosen by the IPA, the replacement or modified Deliverable is capable of performing substantially the same function. In the event the IPA cannot reasonably procure, replace or modify such Deliverable in accordance with the immediately preceding sentence, the IPA may require the

SECTION II – EXTENSION INFORMATION (continued)

Auditor of State and Client to cease use of such Deliverable and refund the professional fees paid to the IPA with respect to the Services giving rise to such Deliverable.

The foregoing provisions of this Section constitute the sole and exclusive remedy of the indemnified parties, and the sole and exclusive obligation of the IPA, relating to a claim that any of the IPA's Deliverables infringes any patent, copyright or other intellectual property right of a third party.

As a condition to the foregoing indemnity obligations, the IPA shall be given written notice of the assertion of such claims or suits for which indemnification is sought (an "Indemnity Claim") promptly after such matters are brought to the attention of the Auditor of State and shall cooperate in all reasonable and customary respects with the IPA in connection with any such Indemnity Claim, suit or claim covered by the indemnity obligation. The IPA shall be entitled to defend, settle, and control the handling of any such Indemnity Claim, in its sole discretion, with counsel of its own choosing. The IPA, however, shall not settle any such Indemnity Claim without the prior written consent of the Auditor of State (which shall not be unreasonably withheld) except such consent is not required if (1) the sole relief provided is the payment of monetary damages by the IPA or, to the extent that any non-monetary relief is provided, such non-monetary relief is applicable only to the IPA, (2) there is no admission of any fault or wrongdoing on the part of the Auditor of State, and (3) the compromise or settlement contains a full and unconditional release (other than a condition of receipt of payment from the IPA) of the Auditor of State from liability in respect of such Indemnity Claim. Subject to the assent of the Attorney General of Ohio, the Auditor of State shall be permitted to participate in (but not control) the defense and settlement of any such Indemnity Claim that impacts the interest of the state of Ohio and to employ separate counsel in connection with such Indemnity Claim. The fees and expenses of such separate counsel shall be at the Auditor of State's expense. Nothing contained herein, however, is intended to confer to any third party any right or benefits hereunder; nor is the foregoing indemnification obligation intended to alter or extend the IPA firm's liability for failure to comply with the terms of the Agreement or for professional negligence or misconduct.

The IPA shall be solely responsible to Auditor of State and the Client for the performance of the services provided by the IPA under this Agreement. The Client agrees that it will not bring any claims or suits arising from or relating to the IPA's performance of the services under this Agreement against the Auditor of State.

SECTION III – RECITALS/APPROVAL

Due to the need for a contract extension, as stated in SECTION II above, the parties with intent to be legally bound agree as follows:

1. IPA shall, in the performance of its engagements related to the Public Office for the fiscal period(s) set forth in the original Contract, previous Modification Agreements, and in this Agreement, perform all engagement work as set forth in the original Memorandum of Agreement, previous Modifications Agreements and in this Agreement;

2. The performance of the engagement work provided for in this Agreement, and all related payments provided for herein, shall in all respects be subject to the terms and conditions set forth in the original Contract;

3. Should this extension result in the total hours of the contract to exceed the threshold established for use of a MBE/EDGE subcontractor, the IPA shall follow all minority participation and other relevant requirements of the original contract. If applicable, the required MBE/EDGE subcontractor with respect to this Agreement will be:
   Subcontractor: n/a
   Address: _____

4. Should this extension involve the use of other subcontractors, the IPA shall follow all relevant requirements of the original contract. If applicable, the other subcontractor with respect to this Agreement will be:
   Subcontractor: n/a
   Address: _____

In the event of any conflict or inconsistency between the provisions of this Agreement and the parties' prior contract, the provisions of this Agreement shall control in all respects.

IN WITNESS WHEREOF, Auditor, Public Office and IPA have executed this agreement.

John J. Phillips Digitally signed by John J. Phillips
Date: 2026.08.04 10:46:27 -04'00'

Charles E. Harris & Associates, Inc **Date**

Legislative Authority or Designee for **Date**

Village of North Baltimore

Auditor of State **Date**

Village of North Baltimore

Wood

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
TO SUPPORT THE TOTAL ALL-INCLUSIVE FIXED FEE
FOR AUDIT SERVICES – January 1, 2025 - December 31, 2027 EXTENSION

	Hours	Average Hourly Rate	Total Fixed fee	Amount attributed to MBE/EDGE (if applicable)
Partners	18			
Managers				
Supervisory staff	82			
Staff	130			
Other (specify):				
Total for period ending 2025	230	$ 70.00	$ 16,100.00	$

		Hours	Average Hourly Rate	Total Fixed fee	Amount attributed to MBE/EDGE (if applicable)
Fiscal period ending	26-27	260	$ 75.00	$ 19,500.00	$
Fiscal period ending	20xx		$	$ 0.00	$
Fiscal period ending	20xx		$	$ 0.00	$
Fiscal period ending	20xx		$	$ 0.00	$
Total for fiscal periods 2025 - 2027		490	$	$ 35,600.00	$ 0.00

MANDATORY ELEMENTS
Required Affirmations

PUBLIC OFFICE: **Village of North Baltimore** COUNTY: Wood

CONTRACT NUMBER: DA513-559B1 CONTRACT PERIOD: January 1, 2025 - December 31, 2027

To be considered, **the proposal must address every one of the elements**. When these are not fully addressed, proposals will be considered non-responsive to the RFP and will not be evaluated further. Please ensure these affirmations are the first element of your firm's proposal and indicate your firm's agreement with the affirmation by checking the respective box for each affirmation.

1.	**CPA Licensure Laws** Our firm is licensed by the Ohio Accountancy Board to do business in Ohio and will remain in compliance with Ohio CPA licensure laws and rules.	☑ Affirmed
2.	**CPE requirements** Our firm and all assigned key professional staff are, and will remain, in compliance with governmental qualification standards, including governmental continuing education requirements.	☑ Affirmed
3.a.	**Peer Review (Opt. 1)** Our firm has undergone an external quality control peer review, conducted in accordance with generally accepted government auditing standards, within the last three years and received a pass rating. The current report is on file with the Auditor of State's Office.	☑ Affirmed ☐ N/A
3.b.	**Peer Review (Opt. 2)** In accordance with GAGAS 3.97, our firm is not yet required to have an external quality control peer review, conducted in accordance with generally accepted government auditing standards. When required, our firm will have the appropriate peer review conducted and provide a copy of the report to the Auditor of State's Office.	☐ Affirmed ☑ N/A
4.	**Ohio Ethics Laws** Our firm and all assigned key professional staff are, and will remain, in compliance with the requirements of Ohio's Ethics Law, as applicable and found at § 2921.42 and in Chapter 102 of the Ohio Revised Code.	☑ Affirmed
5.	**Rules and Laws Regarding Conflicts of Interest** Our firm and all assigned key professional staff are, and will remain, in compliance with laws and rules regarding conflicts of interest.	☑ Affirmed
6.	**Unresolved Findings for Recovery** Our firm is not subject to any unresolved finding for recovery issued by the Auditor of State under Ohio Rev. Code § 9.24, or our firm has taken appropriate remedial steps required under R.C. § 9.24. Our firm agrees that if this statement is deemed to be false, the contract shall be declared "void ab initio" between the parties, and Village of North Baltimore will not be obligated to pay for goods or services rendered under the contract. Any funds paid under the contract shall be remitted by our firm to Village of North Baltimore or an action for recovery of such payments may result.	☑ Affirmed
7.a.	**Independence - Nonaudit Services Provided (Opt. 1)** ➢ Our firm has listed and described in our proposal any and all nonaudit services that have been provided to Village of North Baltimore over the previous five (5) years from the date of our proposal or are expected to be provided during the contract term; ➢ Our firm and all assigned key professional staff are independent of Village of North Baltimore as defined by U.S. Government Accountability Office's *Government Auditing Standards*; ➢ Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and ➢ In providing such nonaudit services, our firm did not perform management functions, make management decisions for Village of North Baltimore nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	☐ Affirmed ☑ N/A
7.b.	**Independence - Nonaudit Services NOT Provided (Opt. 2)** ➢ Our firm and all assigned key professional staff are independent of Village of North Baltimore as defined by U.S. Government Accountability Office's *Government Auditing Standards*; ➢ Our firm **has not provided** nonaudit services affecting the audit periods that involved performing management functions or making management decisions for Village of North Baltimore; and ➢ If selected, our firm **will not provide** nonaudit services to Village of North Baltimore during the term of the contract that would require our firm to perform management functions or make management decisions for the entity, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	☑ Affirmed ☐ N/A
8.	**Independence - Entity's Components** ➢ Our firm and all assigned key professional staff are independent of the entity's components listed in Section III (G); of the Request for Proposal.	☐ Affirmed ☑ N/A

9.a.	**Independence - Entity's Components - Nonaudit Services Provided (Opt. 1)** ➢ Our firm has listed and described in our proposal any and all nonaudit services that have been provided to Village of North Baltimore's components listed in Section III(G) of the Request for Proposal over the previous five (5) years from the date of our proposal, or are expected to be provided during the contract term; ➢ Our firm and all assigned key professional staff are independent of Village of North Baltimore's components as defined by U.S. Government Accountability Office's *Government Auditing Standards*; ➢ Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and ➢ In providing such nonaudit services, our firm did not perform management functions, make management decisions for Village of North Baltimore's components nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	☐ Affirmed ☑ N/A
9.b.	**Independence - Entity's Components - Nonaudit Services NOT Provided (Opt. 2)** ➢ Our firm and all assigned key professional staff are independent of Village of North Baltimore's components as defined by U.S. Government Accountability Office's *Government Auditing Standards*; ➢ Our firm **has not provided** nonaudit services affecting the audit periods that involved performing management functions or making management decisions for Village of North Baltimore's components; and ➢ If selected, our firm **will not provide** nonaudit services to Village of North Baltimore's components during the term of the contract that would require our firm to perform management functions or make management decisions for Village of North Baltimore's components, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	☐ Affirmed ☑ N/A
10.	**Personal and External Impairments** ➢ Our firm and all assigned key professional staff have no personal or external impairments to independence due to relationships with Village of North Baltimore, and have listed and described in our proposal all our firm's professional relationships that could affect our impartiality or the appearance of impartiality involving the Village of North Baltimore or any of its agencies/agencies or components /agencies, components or oversight unit, as applicable for the past five (5) years from the date of the proposal; ➢ If appropriate, our proposal has included a statement explaining why such relationships do not constitute an independence issue relative to performing the proposed audit. ➢ Our firm shall give Village of North Baltimore and the Auditor of State written notice of any professional relationships entered into during the period of this agreement, relative to parties connected to this proposed engagement that could affect our impartiality or the appearance of impartiality. ➢ Prior to entering into any new agreement to provide any nonaudit service to Village of North Baltimore during the term of the contract, our firm will notify the Auditor of State through completion of the IPA Nonaudit Service GAO Independence Notification/Evaluation (Exhibit E of the RFP). By filing this form, our firm asserts the non-audit service does not impair our firm's independence.	☑ Affirmed
11.	**Inappropriate Public Office Contact** Our firm and all assigned key professional staff have not made, and will not make, any contact with personnel of the Village of North Baltimore regarding this request for proposal other than allowed by Section I. C. of the RFP.	☑ Affirmed
12.	**Subcontractors** If subcontractors are engaged, our firm will ensure the subcontractor(s) have met all applicable elements listed in the affirmations above.	☐ Affirmed ☑ N/A
13.	**Irrevocable Offer** Our firm's proposal is a firm and irrevocable offer for 90 days.	☑ Affirmed