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Springfield, IL 62704

217.793.3363

**SIKICH.COM**

March 4, 2019

Ms. Angie Johnson  
County Administrator  
Union County  
309 West Market Street  
Jonesboro, Illinois 62952

RE: Cost Study – IL HB3036 Compliance

Dear Ms. Johnson:

Sikich LLP is pleased to propose financial analytical services to Union County related to the need for a cost study of expenses and fees related to the County Clerk's Office that will comply with the provisions of IL HB3036. In this legislation, the requirement for a predictable fee schedule for various classifications of standard documents related to the County Clerk's Office, as well as stipulations for non-standard documents, is detailed.

The scope of services ("Services") will include:

1. Discussions with management to determine the nature of the operation, services provided, methods/policies/procedures and personnel utilized as well as the frequency that each service is requested and provided.
2. A financial analysis of the historical direct and indirect costs incurred to provide each service in total and on a per unit basis. This will include a review of time records as available and appropriate. The goal is to determine fees that adequately cover the cost of providing the services.
3. Based upon this analysis, a written report will be delivered which outlines our recommendations for appropriate standard fees to be charged in the mandated classifications. Recommendations related to non-standard fees will also be included.

The terms of our agreement are outlined below:

This engagement agreement ("Agreement") between Sikich LLP ("Sikich", "we", "our" or "us") and Union County ("County", "your" or "you") sets forth the mutual agreements regarding the professional services that Sikich will provide to you.

The scope and purpose of the engagement are outlined above.

#### **General – Services and Fees**

We anticipate that our staff will be used in matters of planning, forensic accounting, financial analysis, and reporting related to this assignment. We are prepared to begin this assignment immediately upon authorization

March 4, 2019

to proceed. We will report our progress to you during the engagement and will deliver a comprehensive report documenting findings and recommendations.

The fee for these services will be based upon professional time expended at a Partner rate of \$350 per hour, a Director rate of \$250 per hour and a staff rate of \$175 per hour, not to exceed a total of \$5,000.

As the engagement progresses, related charges will be billed upon delivery of the report. Payment is due upon receipt. If you should disagree with or question any amount due under an invoice, you agree that you shall communicate such disagreement to us in writing within fifteen (15) days of the invoice date. Disagreement with any amount not made known to us in writing within that period is considered invalid. We retain the right to discontinue Services (and at our opinion, terminate this Agreement) if the account balance becomes sixty (60) days past due. The payment of fees is not contingent upon the nature of the opinions expressed during the term of this Agreement.

We will charge the County for out-of-pocket expenses incurred during the provision of Services, including travel and living expenses (meals, lodging, etc.) from our Springfield office.

We will not have any obligation to issue a report or other document, or communicate our research, analyses, or conclusions, and will not have any obligation to appear for or provide written or oral testimony or evidence at trial, deposition, or elsewhere, until the account is paid in full, or alternative arrangements have been mutually agreed to in writing. We will have no liability to you, or any other person, by reason of not issuing a report, appearing for, and/or providing testimony or other evidence because of a failure to pay all amounts owed to us, and you agree to indemnify us against such liability.

The County is responsible for management decisions and functions; for designating a management-level individual with suitable skill, knowledge and experience to oversee the services Sikich is providing and for evaluating the adequacy and results of those services and accepting responsibility for them. These services will not satisfy any requirements for an audit in accordance with auditing standards generally accepted in the United States of America. We are accepting this engagement as consultants rather than auditors. Therefore, we request that you do not record this as an audit engagement in your minutes and other memoranda.

### **Standards and Confidentiality**

The Services will be based on the data we are able to obtain within a reasonable time. We attempt to collect data from reliable sources but do not warrant the accuracy, completeness, or reliability of the data obtained. We will not audit, compile, or review any financial statements, forecasts, or financial data provided to us and will rely on such data without verification. The Services will be conducted according to the guidelines outlined by the AICPA SSCS standards.

All information and materials of any form or description collected by us during the Agreement shall constitute our work files and will always, during and after completion of our Services, remain in our exclusive possession. We shall have unlimited discretion to retain, discard, or dispose of our work files but will at all times maintain all information and materials provided by the Counsel in strictest confidence.

We will use reasonable efforts to keep strictly confidential the report, its existence, and content, as well as the identity of the County and other identifying information. We will nevertheless have no liability to the County or any third party for information disclosed in, or pursuant to, any ruling, order, or proceeding of any court or other

March 4, 2019

judicial or non-judicial forum or of any regulatory agency or similar instrumentality or for public disclosure made by the Board.

In accordance with the final rules published by the Federal Trade Commission, commonly referred to as the Gramm-Leach-Bliley Act, the following disclosures are made: In the process of preparing the Services or other tasks included in the assignment, we may collect from you, or with your authorization, certain essential information which may be non-public and personal, such as information concerning salaries, wages, benefits, income, expenses, assets, liabilities, and other similar information. We follow reasonable standards for protecting the confidentiality and security of the non-public personal information collected. We will not disclose any non-public personal information about you to any third party, except as permitted by you or required by law or during the cited legal proceeding.

The County hereby acknowledges and consents to Sikich's use of third-party cloud computing services to store confidential and proprietary information and other data provided to Sikich in the performance of the Services and agrees that Sikich's use of such cloud services coupled with the use of encrypted devices, password protections and firewall protection shall constitute the best efforts of Sikich to safeguard such information and data from unauthorized disclosure. The County further agrees that, subject to applicable law, Sikich shall only be liable if it has finally judicially been determined that Sikich did not take commercially reasonable measures to protect the confidential and proprietary information and other data of the County from unauthorized disclosure.

Because of our prior or future services to the County we might be requested or required to provide information or documents to you or a third party in a legal, administrative, regulatory inquiry or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request.

#### **Disputes; Indemnification; Legally Binding Contract**

This Agreement is a legally binding contract between the County and Sikich and will be binding upon, and inure to the benefit of, their respective heirs, assigns, successors-in-interest, and legal representatives (as applicable). It may not be amended without the prior written consent of both parties.

The County shall indemnify and hold harmless Sikich and its partners, directors, employees, agents or subcontractors against all costs, damages and liabilities (including reasonable attorneys' fees and costs) associated with any third-party claim or proceeding, relating to or arising out of our provision of Services under this Agreement, other than as determined through arbitration to have been caused by the gross negligence or willful misconduct of Sikich.

In no event will Sikich be liable to the County or any related party thereto, whether a claim be in tort, contract or otherwise, for any amount in excess of the total fees paid by the County to Sikich pursuant to this Agreement, or for any consequential, indirect, lost profit or similar damages relating to our Services provided under this Agreement.

In the event of a dispute involving interpretation or performance under this Agreement, the dispute shall be submitted to arbitration under the rules of commercial arbitration of the American Arbitration Association, the results of which shall be binding on all parties to this Agreement. The arbitration shall be conducted in

March 4, 2019

Springfield, Illinois. The party prevailing at the arbitration shall recover its costs and expenses, including attorneys', arbitrators', and stenographers' fees from the other party.

The County acknowledges having read this Agreement in its entirety, has had full opportunity to consider its terms in consultation with its legal and financial advisors, has had full and satisfactory explanation of the same, and fully understands and agrees to be legally bound by the terms of this Agreement.

Please indicate your understanding and acceptance of this Agreement by executing this Agreement in the space provided below where indicated and return it to our offices indicating your authorization for us to proceed on the above terms and conditions. Please retain the second copy of this Agreement for your files.

Sincerely,

**Sikich LLP**



Mary O'Connor, ASA, CFE  
Forensic and Valuation Services

**Acknowledged and Accepted:**

**Union County, Illinois**

Signed: Angie Johnson, County Administrator Date: 3-6-19  
[Name and Title]