

Addendum to Contract - Expanded Scope of Testing for Beginning Balances

Addendum to Contract for Auditing Services

This is an addendum to our existing audit contract, based on Audit Administration, Fees, and Other, for expanded audit steps related to the audit of beginning balances. Auditing standards require the auditor in an initial engagement to obtain sufficient, appropriate audit evidence regarding opening balances to determine if the opening balances contain material misstatements that affect the current year financial statements and determine if appropriate accounting policies have been consistently applied between years. These balances would otherwise be confirmed through the review of the predecessor auditor's work papers and conversations. The procedures will include the following specific steps:

1. Audit beginning bank and county cash balances.
2. Audit beginning balances for accounts receivable, accounts payable, accrued salaries payable and fund balance.
3. Audit beginning balances for capital assets and inquire on policies and estimated lives.
4. Audit beginning balances for long term debt including general obligation bonds, bond premium, Other Postemployment Benefit obligation, compensated absences and net pension liability.


Fees

We estimate the time required to complete these additional procedures to be 6-8 hours and range between \$1,100 and \$1,700. Additional billings will be submitted at the hourly rates stipulated in our contract.

We agree to the above terms as they relate to the existing audit contract term.

Bassett Unified School District

Date



Vicenti, Lloyd & Stutzman LLP

October 12, 2016

Date