



February 26, 2019

Mr. Kenneth Lopez
Palatine Township Administrator
Palatine Township
721 S. Quentin Road, Suite 101
Palatine, IL 60067

We are pleased to confirm our understanding of the services we are to provide for the Palatine Township for the fiscal years ending February 28, 2019 through February 29, 2020. It is our understanding that Lauterbach & Amen, LLP will prepare the GASB 74/75 Actuarial Reports, under the Alternative Measurement Method, for the Township.

You agree to assume all management responsibilities for the actuarial services we provide; you will oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; you will evaluate the adequacy and results of the services; and you will accept responsibility for them.

Lauterbach and Amen, LLP does not assume any management responsibilities for the Township. These services cannot be relied upon to detect errors, irregularities, or illegal acts that may exist. However, we will inform you of any such matters that may come to our attention.

Fees for our services are as follows:

	Fiscal Year End February 28, 2019	Fiscal Year End February 29, 2020
Actuarial Financial Statement Reporting		
• Implementation and Preparation of GASB 74/75 Actuarial Valuation*	\$2,600	\$850
• Preparation of Audit Friendly Exhibits	Included	Included
• Attendance at Meeting to Present Results	Included	Included
Total Annual Actuarial Services	<u>\$2,600</u>	<u>\$850</u>

*The above fee table assumes implementation of the new GASB 74/75 requirements for the Township’s fiscal year ending February 28, 2019. After GASB 74/75 implementation year, all OPEB reporting will follow a biennial reporting cycle and for all fiscal year ends where a full-valuation is not required, we will prepare financial statement entries based on a limited actuary’s report. The limited actuary’s report will not require updating of participant or medical information but will be run at the most recently available discount rate required by the new GASB 74/75 standards. If, for any reason, the Township’s or auditors require a full-valuation vs. the limited actuary’s report, updating of all participant and medical information will be required and a full-valuation fee will be charged.



We appreciate the opportunity to be of service to the Palatine Township and believe 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 below and return it to us.

Cordially,

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Palatine Township:

Accepted by: *[Handwritten Signature]*

Title: Township Supervisor

