

**REAPPOINTMENT OF AN INDEPENDENT  
PUBLIC ACCOUNTING FIRM**

**A Recommendation**

1. **Division and Department:** Finance and Administration, Controller's Office
2. **Introduction:** The *Charter of the Audit Committee of the Oakland University Board of Trustees* (Audit Committee) provides that the Audit Committee is advisory to the Board of Trustees (Board) with the following duties and responsibilities in connection with the University's Independent Auditors. The Audit Committee shall:
  - A. Recommend to the Board of Trustees the appointment, compensation, retention, oversight and termination of all independent auditors.
  - B. Recommend to the Board of Trustees all terms of and fees for audit services, audit-related services, tax services, and other services to be performed for the University by any independent auditors.
  - C. Ensure that the independent auditors prepare and deliver with each engagement letter a written statement representing to the Audit Committee that the auditor is independent in regards to the University and any related parties.
  - D. Be provided annually with a copy of the auditor's peer review report and related letter of comments and recommendations.
  - E. Ensure that the independent auditors of the University-wide financial statements shall submit to the University, annually, a formal written statement of the fees billed for each of the following categories of services rendered by the independent auditors: (i) audit services; (ii) tax services; and (iii) all other services rendered by the independent auditors for the most recent fiscal year, in the aggregate and by each category of service.
  - F. Review the independent auditors' University-wide, written audit plan prior to the commencement of the audit and discuss audit scope, staffing, locations, and reliance upon Management, internal audit and general audit approach with the Audit Committee.

**Reappointment of an Independent  
Public Accounting Firm  
Oakland University  
Board of Trustees Formal Session  
April 20, 2023  
Page 2**

- G. Review and evaluate the qualifications, performance, and independence of the independent auditors, including an evaluation of the lead partner of the independent auditors and an evaluation of whether the independent auditors' quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the auditors' independence. The Audit Committee's evaluation of the independence of the independent auditors shall be made with respect to standards of independence set forth in any applicable accounting and financial standards, laws and regulations. The Audit Committee shall consider the opinions of Management and internal auditors in its evaluation.
- H. Ensure the appropriate rotation of the lead audit partner having primary responsibility for the audit and audit partner responsible for reviewing the audit. The Board of Trustees require a rotation of the lead partner after five years with an introduction to the new lead partner during the fifth year of the current lead partner. In the case of extenuating circumstances (change in leadership, systems, processes, etc.), the Audit Committee can choose to extend the current lead partner for a period not to exceed two additional years.
- I. Consider, whether, in order to assure continuing auditor independence, there should be a change in the audit firm itself. Audit services shall be competitively bid every six years. In the case of extenuating circumstances (change in leadership, systems, processes etc.), the Audit Committee can recommend that the current audit contract be extended for a period not to exceed two additional years. Assessment of the audit firms responding will be based on both quantitative and qualitative factors as determined by the Audit Committee.
- J. Receive and act upon any report from the independent auditors regarding any internal control deficiencies and the response from Management thereto.
- K. Recommend approval of any non-audit services by any independent auditors.

Plante & Moran (PM) was appointed by the Board as its independent public accountants for FY2022 and performed competently as determined by the Audit Committee. The Audit Committee recommends that PM continue for FY2023 as the Board's independent public accountants.

**Reappointment of an Independent  
Public Accounting Firm  
Oakland University  
Board of Trustees Formal Session  
April 20, 2023  
Page 3**

3. **Previous Board Action:** As a result of a competitive bid process, in February 2017, PM was appointed as the University's independent public accounting firm for FY2017, FY2018, FY2019, FY2020, FY2021 and FY2022.
4. **Budget Implications:** The audit engagement cost for FY2023 is projected to be \$101,500; potential incremental costs relative to additional services that may be required will be discussed with management, if necessary.
5. **Educational Implications:** None.
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** This recommendation was formulated by the Controller's Office and reviewed by the Vice President for Finance and Administration, President, and Audit Committee.

8. **Recommendation:**

WHEREAS, the Board of Trustees has previously appointed Plante & Moran (PM) as its independent public accounting firm; and

WHEREAS, the Board of Trustees' Audit Committee is satisfied with the performance of PM in its role as the Board of Trustees' independent public accounting firm; now, therefore, be it

RESOLVED, that the Board of Trustees approves the appointment of PM as the Board of Trustees' independent public accounting firm to conduct the FY2023 Audit at a projected cost of \$101,500; potential incremental costs relative to additional services that may be required will be discussed with management, if necessary; and, be it further

RESOLVED, that the Board of Trustees' Audit Committee is charged with reviewing and approving the relative engagement letters and audit scope; and, be it further

RESOLVED, that PM will report the results of its annual examination of Oakland University's financial statements in draft form to the Board of Trustees' Audit Committee and in final form to the Board of Trustees; and, be it further

RESOLVED, that the Board of Trustees authorizes the Audit Committee Chair, President, Vice President for Finance and Administration, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are

**Reappointment of an Independent  
Public Accounting Firm  
Oakland University  
Board of Trustees Formal Session  
April 20, 2023  
Page 4**

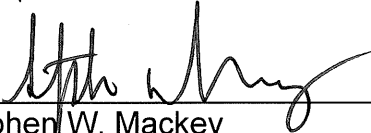
necessary, expedient and proper in connection with the Audits and the ongoing administration of the Audits; and, be it further

RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.

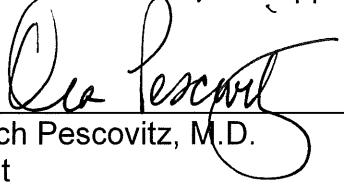
**9. Attachments:**

- A. Audit Scope Letter
- B. Financial Statement Audit Engagement Letter
- C. NCAA Agreed-Upon-Procedures Letter
- D. Form 990-T Tax Review Letter

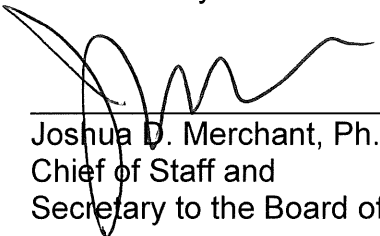
Submitted to the President  
on April 13, 2023 by

  
\_\_\_\_\_  
Stephen W. Mackey  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

Recommended on 4/16, 2023  
to the Board of Trustees for Approval

  
\_\_\_\_\_  
Ora Hirsch Pescovitz, M.D.  
President

Reviewed by:

  
\_\_\_\_\_  
Joshua D. Merchant, Ph.D.  
Chief of Staff and  
Secretary to the Board of Trustees



**Plante & Moran, PLLC**  
Suite 300  
19176 Hall Road  
Clinton Township, MI 48038  
Tel: 586.416.4900  
Fax: 586.416.4901  
plantemoran.com

April 20, 2023

Audit Committee of the Board of Trustees  
Oakland University  
201 Meadow Brook Road, Room 13  
Rochester, MI 48309-4401

Dear Members of the Audit Committee:

We are in the process of planning for the audit of the financial statements of Oakland University ("the University") for the year ended June 30, 2023. An important aspect of planning for the audit is communication with those who have responsibility for overseeing the strategic direction of the University and obligations related to the accountability of the University. At the University, these responsibilities and obligations are held by the Audit Committee, collectively and individually; therefore, it is important for us to communicate with each of you in your role as a member of the Audit Committee.

As part of this communication process, we have spoken at length with Stephen Mackey, Vice President for Finance & Administration and Treasurer to the Board of Trustees regarding our responsibilities under generally accepted auditing standards and the planned scope and timing of our audit. The purpose of this letter is to provide each of you with a summary of those discussions and to provide you with the opportunity to communicate with us on matters that may impact our audit.

### **Our Responsibility Under Generally Accepted Auditing Standards**

As stated in our engagement letter addressed to Mr. David Kramer and Mr. Stephen Mackey and dated April 20, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In accordance with Generally Accepted Government Auditing Standards (GAO Standards), we are required to communicate all noncompliance with provisions of laws, regulations, contracts, or grants that have a material effect on the financial statements that comes to our attention. GAO Standards also require that we report any instances of abuse identified during that audit that could be quantitatively or qualitatively material to the financial statements.

We expect to include an emphasis-of-matter paragraph in the auditor's report informing the users of the financial statements about the following:

- The significance of a change to the financial statements as a result of adopting new accounting standards. The proposed wording of the emphasis-of-matter paragraph follows:

As explained in Note 1, effective July 1, 2022, the University adopted two new accounting standards under GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and Governmental Accounting Standards Board's Statement No. 96, *Subscription-Based Technology Arrangements*. Our opinion is not modified with respect to this matter.



### **Overview of the Planned Scope and Timing of the Audit**

Dana Coomes is the engagement partner responsible for supervising our services performed as part of this engagement. Our audit fieldwork will include three phases. The planning and preliminary information-gathering phase will occur during May 2023; the risk assessment phase in May and June 2023; and the rest of our audit procedures will be performed during August 2023.

To plan an effective audit, we must identify significant risks of misstatement in the financial statements, including those related to changes in the financial reporting framework or changes in the entity's environment, financial condition, or activities, and design procedures to address those risks.

Because management is in a unique position to perpetrate fraud due to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, generally accepted auditing standards require that we always consider this to be a significant risk.

### **Information from You Relevant to Our Audit**

An important aspect of this communication process is the opportunity for us to obtain from you information that is relevant to our audit. Your views about any of the following are relevant to our audit:

- The University's objectives and strategies and the related business risks that may result in material misstatements
- Matters that you consider warrant particular attention during the audit and any areas where you want to request additional procedures be undertaken
- Significant communications between the University and regulators
- Understanding of the University's relationships and transactions with related parties that are significant to the University and any concerns regarding those relationships or transactions
- The attitudes, awareness, and actions concerning:
  - The University's internal control and its importance to the University, including how the Audit Committee oversees the effectiveness of internal control and the detection or possibility of fraud
  - The detection or possibility of fraud, including whether the Audit Committee has knowledge of any actual, suspected, or alleged fraud affecting the University
  - Any significant unusual transactions the University has entered into
- The actions of the Audit Committee in response to developments in accounting standards, regulations, laws, previous communications from us, and other related matters and the effect of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
  - The relevance, reliability, comparability, and understandability of the information presented in the financial statements
  - Whether all required information has been included in the financial statements and whether such information has been appropriately classified, aggregated or disaggregated, and presented

April 20, 2023

If you have any information to communicate to us regarding the above or any other matters you believe are relevant to the audit, or if you would like to discuss the audit in more detail, please call me at (586) 416-4913 or email me at [dana.coomes@plantemoran.com](mailto:dana.coomes@plantemoran.com) as soon as possible.

Thank you for your time and consideration in this important aspect of the audit process. You can expect to hear from us again after the completion of our audit when we will report to you the significant findings from the audit.

Very truly yours,

**Plante & Moran, PLLC**



Dana M. Coomes  
Partner

Appendix

**General Audit Approach**

AREA	AUDIT APPROACH
Cash	Testing of the bank reconciliation and confirmation of balances.
Investments	Analysis of the valuation of investments to independent sources.
Student accounts receivable and related allowances	Systems testing; cut-off testing; analytical procedures; review the methodology of the allowance calculation; consideration of historical experience.
Pledges receivable	Review of payments; consider confirming significant amounts; consideration of historical experience.
Property, plant, and equipment	Test carry forward of prior years' balances; vouch additions; limited depreciation testing for consistency and appropriateness; testing of disposals; review status of construction projects.
Accounts payable/ Accrued compensation and other liabilities	Search for unrecorded liabilities, examine and test schedules or other support. Review of third party valuation of GASB 75 OPEB Liability.
Long-term debt obligations	Confirmations, review documents and supporting schedules, review debt covenant calculations to ensure compliance.
Interest rate swap derivative	Reconciliation of SWAP agreement to independent valuation sources; review accounting treatment related to deferred inflow and outflows.
Federal grants	Single audit - Student Financial Aid selected as a major program.
Tuition and fees (including unearned revenue)	Systems testing; analytical testing of revenue and deferred revenue based on enrollment data from the registrar's office.
Expenditures	Systems testing; tests of transactions; tie out specific amounts (e.g. depreciation and interest); analytical procedures, including comparisons to prior year and budget amounts.
Net position	Test carry forward balances; review documents and supporting schedules; review of net position classifications.





**Plante & Moran, PLLC**  
 Suite 300  
 19176 Hall Road  
 Clinton Township, MI 48038  
 Tel: 586.416.4900  
 Fax: 586.416.4901  
 plantemoran.com

April 20, 2023

Mr. David Kramer  
 Mr. Stephen Mackey  
 Oakland University  
 201 Meadow Brook Road, Room 13  
 Rochester, MI 48309

Dear Mr. Kramer and Mr. Mackey:

Thank you for selecting Plante & Moran, PLLC ("PM") to assist you. We are sending this letter and the accompanying Professional Services Agreement, the terms of which are incorporated into this engagement letter, to confirm the nature, limitations, and terms of the services we will provide to Oakland University (the "University").

### Scope of Services

We will audit the University's basic financial statements and federal awards as of and for the year ended June 30, 2023.

In connection with our audit engagement, we will assist you in drafting your data collection form online with the federal clearinghouse. This assistance is considered a non-audit service; you agree to the contemporaneous provision of these audit and non-audit services.

In addition, we will serve as a component auditor for the purpose of the audit of the State of Michigan. In connection with that audit, we will subject the University's crosswalk, which reconciles financial information from the University's financial statements to the State of Michigan ACFR, to the auditing procedures applied in our audit of the University's financial statements. We will then update subsequent events to a date chosen by the State of Michigan.

Dana Coomes is the engagement partner for the services specified in this letter and is responsible for supervising PM's services performed as part of this engagement.

If you determine that you need additional services, including accounting, consulting, or tax assistance, PM may be available to provide them under the terms of separate engagement letters and for additional fees.

### Timing of Services

We expect to begin fieldwork and complete our on-site audit work with our report issuance dates for each as follows:

<b>Audit/Procedures to be Performed</b>	<b>Estimated Date Fieldwork Begins</b>	<b>Estimated Date Fieldwork Ends</b>	<b>Estimated Report Issuance Date</b>
Financial Statement Audit	June 12, 2023	August 25, 2023	October 6, 2023
Federal Program Audit	June 12, 2023	August 25, 2023	October 6, 2023
Review of Crosswalks for State of Michigan ACFR	October 2, 2023	October 13, 2023	November 24, 2023

Mr. David Kramer  
Mr. Stephen Mackey  
Oakland University

2

April 20, 2023

### Fees and Payment Terms

Our fee for this engagement will be based on the value of the services provided, which is primarily a function of the time that PM staff expend at our current hourly rates. We estimate that our fee for this engagement will be as follows:

Scope of Services	Fee
University Audit	\$70,400
Single Audit – Student Financial Aid	\$18,000
Crosswalks for the State of Michigan ACFR	\$2,900

Our fee does not include any consulting services related to the implementation of *the Governmental Accounting Standards Board's Statement No.94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements* or *Governmental Accounting Standards Board's Statement No. 96, Subscription-Based Technology Arrangements*, which are effective for the University's fiscal year ended June 30, 2023.

Invoices for audit services, other services and out-of-pocket costs will be rendered as services are provided and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

If you agree with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,

**Plante & Moran, PLLC**



Dana M. Coomes

Mr. David Kramer  
Mr. Stephen Mackey  
Oakland University

3

April 20, 2023

**Agreed and Accepted**

**We accept this engagement letter and the accompanying Professional Services Agreement (collectively, "Agreement"), which set forth the entire agreement between Oakland University and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.**

Oakland University

\_\_\_\_\_  
Mr. David Kramer  
Chair, Audit Committee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mr. Stephen Mackey  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

\_\_\_\_\_  
Date

## **Professional Services Agreement – Audit Services Addendum to Plante & Moran, PLLC Engagement Letter**

This Professional Services Agreement is part of the engagement letter (collectively, "Agreement") for audit services dated April 20, 2023 between Plante & Moran, PLLC (referred to herein as "PM") and Oakland University (referred to herein as the "University"). Any work performed in connection with the engagement before the date of this letter will also be governed by the terms and conditions of this Agreement.

1. **Financial Statements** – The financial statements of the University being audited by PM are to be presented in accordance with accounting principles generally accepted in the United States of America (GAAP).
2. **Management Responsibilities** – University management is responsible for the preparation and fair presentation of these financial statements, the schedule of federal awards, and the data collection form in accordance with the applicable financial reporting framework, including compliance with the requirements of accounting principles generally accepted in the United States of America when required, and the completeness and accuracy of the information presented and disclosed therein. Management is also responsible for the capability and integrity of University personnel responsible for the University's underlying accounting and financial records.

University personnel will provide PM, in a timely and orderly manner, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, the schedule of federal awards, and the data collection form, such as records, documentation, and other matters and additional information that the auditor may request from management for the purpose of the audit.

This includes providing assistance and information PM requests during the course of its audit, including retrieval of records and preparation of schedules, analyses of accounts, and confirmations. A written request for information to be provided will be submitted under separate cover and supplemented by additional written and oral requests as necessary during the course of PM's audit. In addition, the University will provide PM with access to all information in its possession that has a material impact on any material transaction ("material" herein means that the expected effect on the financial statements of the University would exceed \$500,000 individually or in the aggregate) and that information will be complete, truthful, and accurate. The University will allow PM unrestricted access to personnel within the University from whom PM determines it necessary to obtain audit evidence.

The University represents and warrants that any and all information that it transmits, or otherwise makes available, to PM will be done so in full compliance with all applicable federal, state, local, and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, "Data Privacy Laws"). The University shall not disclose personal data of data subjects ("Personal Data") who are entitled to certain rights and protections afforded by Data Privacy Laws to PM without prior notification to PM. The University shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

Management is responsible for making all management decisions and performing all management functions relating to the financial statements, supplementary financial information related notes, schedule of federal awards, and data collection form. Management accepts full responsibility for such decisions, even if PM provides advice as to the application of accounting principles or assists in drafting the financial statements, supplementary financial information, related notes, schedule of federal awards, or data collection form. Management is ultimately responsible for the submission of the data collection form to the Federal Audit Clearinghouse. The University has designated Mr. Stephen Mackey, Vice President for Finance and Administration and Treasurer to the Board of Trustees, to oversee financial statement and federal awards reporting related services PM provides. Management will be required to acknowledge in the management representation letter that it has reviewed and approved the financial statements, supplementary financial information, and related notes prior to their issuance and have accepted responsibility for the adequacy of the financial statements.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing PM about all known or suspected fraud affecting the University involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing PM of its knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Management is responsible for providing PM with complete, accurate, and timely information that could bear on PM's independence under applicable professional standards, including, but not limited to, information and representations regarding affiliates of the University, business or personal relationships between the University and PM, and business, personal and employment relationships between those in a financial reporting oversight role, including members of governance, and PM (collectively, Independence Information). The University

## **Professional Services Agreement – Audit Services**

represents and warrants (a) that it has provided PM any and all Independence Information existing as of the date of this Agreement; (b) that such Independence Information is accurate and complete as of the date of this Agreement; (c) that it will notify PM of any changes to Independence Information that has been provided as of the date of this Agreement; and (d) that, after the date of this Agreement, it will provide any new Independence Information to PM as soon as it becomes known to the University.

3. **Objective of an Audit of Financial Statements** – The objective of PM's audit is the expression of an opinion on the University's financial statements specified in the accompanying engagement letter. PM offers no guarantee, express or implied, that its opinion will be unmodified or that it will be able to form an opinion about these financial statements in the event that its internal controls or accounting and financial records prove to be unreliable or otherwise not auditable. If PM's opinion is to be modified, PM will discuss the reasons with the University management in advance of the issuance of its audit report. If, for any reason, PM is prevented from completing its audit or is unable to form an opinion on these financial statements, PM may terminate the engagement and decline to issue a report.
4. **Supplementary Information** – In any document that contains supplementary information to the basic financial statements that indicates that the auditor has reported on such supplementary information, management agrees to include the auditor's report on that supplementary information. In addition, management agrees to present the supplementary information with the audited financial statements or to make the audited financial statements readily available no later than the date of issuance by the University of the supplementary information and the auditor's report thereon.
5. **Internal Controls** – The University is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including controls established for the purpose of preventing or detecting errors in financial reporting, preventing fraud or misappropriation of assets, and identifying and complying with applicable laws and regulations, including those applicable to federal awards, and with the provisions of contracts and grant agreements. PM, in making its risk assessments, will consider internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. PM's audit will not be designed to provide assurance on the design or operating effectiveness of the University's internal controls or to identify all conditions that represent significant deficiencies in those internal controls. PM will communicate all significant deficiencies and material weaknesses in internal controls relevant to the audit of the financial statements, instances of fraud, or misappropriation of assets that come to PM's attention.
6. **Audit Procedures and Limitations** – PM's audit of the financial statements will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include examination, on a test basis, of evidence supporting the amounts and disclosures in University financial statements specified in this engagement letter. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. An audit in accordance with GAAS involves judgment about the number of transactions to be tested and the overall approach to testing in each area. As a result, PM's audit can only be designed to provide reasonable rather than absolute assurance that these financial statements are free from material misstatement. In addition, an audit in accordance with GAAS is not designed to detect errors or fraud that are immaterial to the financial statements. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected always exists, even in an audit properly planned and performed in accordance with GAAS. In recognition of these limitations, the University acknowledges that PM's audit cannot guarantee that all instances of error or fraud will be identified.
7. **Government Auditing Standards** – Under *Government Auditing Standards*, PM will make some assessments of the University's compliance with laws, regulations, and contract provisions. While those assessments will not be sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, PM will communicate all noncompliance conditions that come to PM's attention.

PM's audit of the University's federal awards will be made in accordance with auditing standards generally accepted in the United States of America; the standards applicable for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Management is responsible for corrective action on all audit findings, including preparation of a schedule of prior audit findings and corrective action plans, if necessary.

## **Professional Services Agreement – Audit Services**

In accordance with *Government Auditing Standards*, a copy of PM's most recent peer review report is included as an attachment to this Agreement.

- 8. Auditor Communications** – PM is obligated to communicate certain matters related to the audit to those responsible for governance of the University, including instances of error or fraud and significant deficiencies and material weaknesses in internal control that PM identifies during its audit. PM will communicate these matters to the members of the University's governing board, and the University acknowledges and agrees that communication in this manner is sufficient for the University's purposes.

Under *Government Auditing Standards* PM is obligated to communicate instances of fraud, noncompliance or abuse that is material to the financial statements to those responsible for governance of the University. In certain situations, *Government Auditing Standards* require disclosure of instances of known or likely fraud, noncompliance, or abuse directly to applicable governmental agencies. If such acts are detected during PM's audit, PM will make required disclosures regarding these acts to applicable government agencies.

- 9. Communication to Group Auditor** – In instances where PM has been engaged as a component auditor for the purposes of a Group Audit, the terms of the engagement may include communication of certain matters related to the audit to the Group Auditor. The University permits such communication. PM will discuss matters being communicated with those responsible for governance of the University.

- 10. Accounting and Financial Records** – The University agrees that it is responsible for providing PM with accounting and financial records that are closed, complete, accurate, and in conformity with the requirements of GAAP, for providing schedules and analyses of accounts that PM requests, and for making all the University financial records and related information available to PM for purposes of PM's audit, whether obtained from within or outside of the general ledger and subsidiary ledgers. Where PM has provided estimates of the timing of its work and completion of PM's engagement and issuance of PM's report, those estimates are dependent on the University providing PM with all such accounting and financial records, schedules, and analyses on the date PM's work commences. PM will assess the condition of the University's accounting and financial records, schedules, and analyses of accounts prior to commencing its work. In the event that such records, schedules, and analyses are not closed, complete, accurate, or in conformity with GAAP, PM may have to reschedule its work, including the dates on which PM expects to complete its on-site procedures and issue its audit report.

In any circumstance where PM's work is rescheduled due to the University's failure to provide information as described in the preceding paragraph, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of the audit work or issuance of its audit report. Because rescheduling audit work imposes additional costs on PM, in any circumstance where PM has provided estimated fees, those estimated fees may be adjusted for the additional time PM incurs as a result of rescheduling its work. These fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

- 11. Audit Adjustments** – PM will recommend adjustments to the University's accounting records that PM believes are appropriate. University management is responsible for adjusting the University accounting records and financial statements to correct material misstatements and for affirming to PM in writing that the effects of any unrecorded adjustments identified during PM's audit are immaterial, both individually and in the aggregate, to the University's financial statements specified in this Agreement.

- 12. Management Representations** – The University is responsible for the financial statements and federal awards being audited and the implicit and explicit representations and assertions regarding the recognition, measurement, presentation, and disclosure of information therein. During the course of the audit, PM will request information and explanations from University officers, management, and other personnel regarding accounting and financial matters, including information regarding internal controls, operations, future plans, and the nature and purpose of specific transactions. PM will also require that management make certain representations to PM in writing as a precondition to issuance of PM's report.

PM's audit procedures will be significantly affected by the representations and assertions PM receives from management and, accordingly, false representations could cause material error or fraud to go undetected by PM's procedures. Accordingly, the University acknowledges and agrees that it will instruct each person providing information, explanations, or representations to an auditor to provide true and complete information, to the best of his or her knowledge and belief. It is also agreed that any deliberate misrepresentation by any director, officer, or member of management, or any other person acting under the direction thereof ("University Personnel"), intended to influence, coerce, manipulate, or mislead PM in the conduct of its audit of the financial statements will be considered a material breach of this Agreement. In addition, as a condition of its audit engagement, the University agrees to indemnify and hold PM and its partners, affiliates, and employees harmless from any and all claims, including associated attorneys' fees and costs, based on PM's failure to detect material misstatements in the University's financial statements resulting in whole or in part from deliberate false or misleading representations,

## **Professional Services Agreement – Audit Services**

whether oral or written, made to PM by University Personnel. This indemnity will be inoperative only if, and to the extent that, a court having competent jurisdiction has determined that PM failed to conduct its audit in accordance with generally accepted auditing standards and such failure resulted in PM not determining such misrepresentation by University Personnel was false.

- 13. Use of Report** – PM's report on the financial statements must be associated only with the financial statements that were the subject of PM's audit engagement. The University may make copies of the audit report, but only if the entire financial statements (including related footnotes and supplemental information, as appropriate) are reproduced and distributed with that report. The University agrees not to reproduce or associate PM's audit report with any other financial statements, or portions thereof, that are not the subject of this engagement.

If PM's report on the financial statements being audited is to be published in any manner or if the University intends to make reference to PM in a publication of any type, the University agrees to submit proofs of the publication to PM for review prior to such publication and cooperate with PM in PM's performance of any additional audit procedures PM deems necessary in the circumstances, the nature and extent of which will be at PM's sole discretion. The University acknowledges and agrees that additional fees for such work will be determined in accordance with the Fee Adjustments provision of this Agreement. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on the University's Internet website, the University understands that electronic sites are a means to distribute information and, therefore, PM is not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

- 14. Securities Offerings** – PM's audit does not contemplate, and does not include, any services in connection with any offering of securities, whether registered or exempt from registration. In the event the University elects to incorporate or make reference to PM's report in connection with any offering of debt or equity securities and requests PM's consent to such incorporation or reference, the University understands that additional procedures will need to be performed. In the event PM agrees in writing to perform such additional procedures, the nature and extent of which will be at PM's sole discretion, it is agreed and acknowledged that PM's performance of such additional procedures will be subject to all of the terms and conditions of this Agreement. Additional fees for such work will be determined based on the actual time that PM staff expend at current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and that payment for all such additional fees will be made in accordance with the payment terms provided in this Agreement.

If the University incorporates or makes reference to PM's report in connection with any offering of debt or equity securities without obtaining consent from PM as described above, the University agrees to include the following provision in the offering document:

Plante & Moran, PLLC, our independent auditor, has not performed or been engaged to perform any services in connection with the offering of securities. Nor has Plante & Moran, PLLC performed or been engaged to perform any procedures on the financial statements of the University since the date of the Plante & Moran, PLLC report included herein. Plante & Moran, PLLC also has not performed any procedures relating to this offering document.

- 15. Tax Return Preparation** – This engagement does not include preparation of any tax returns or filings. If the University requires tax services, including tax consulting or preparation of tax returns, those services will be detailed in a separate engagement letter.

- 16. Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to the University's confidential, proprietary information, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to the University. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use and distribution of such confidential University information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of the University.

In the interest of facilitating PM's services to the University, PM may communicate or exchange data by internet, e-mail, facsimile transmission, or other electronic method. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, the University recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

## **Professional Services Agreement – Audit Services**

Both the University and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Further, in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, PM's working papers will be made available to federal award program representatives at PM offices during normal business hours during the audit and for a period of three years after the issuance of the report. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this Agreement. In the event that a request for any confidential information or workpapers covered by this Agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform the University in a timely manner of such request and to cooperate with the University should it attempt, at the University's cost, to limit such access. This provision will survive the termination of this Agreement. PM's efforts in complying with such requests will be deemed billable to the University as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon the University's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. The University acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

- 17. Consent to Disclosures to Service Providers** – In some circumstances, PM may use third-party service providers in connection with its services, including affiliates of PM within or outside the United States. In those circumstances, PM will be solely responsible for the provision of any services by any such third-party service providers and for the protection of any information provided to such third-party service providers. PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished and (ii) not use any information for any purpose unrelated to PM's services. The University, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of the University's information, including tax return information, to such third-party service providers, including affiliates of PM outside of the United States, if and to the extent such information is relevant to the services such third-party service providers may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this Agreement. The University's foregoing consent shall be continuing until the services provided for this Agreement are completed.
- 18. Fee Quotes** – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on information provided by the University regarding the nature and condition of its accounting, financial, and tax records; the nature and character of transactions reflected in those records; and the design and operating effectiveness of its internal controls. The University acknowledges that the following circumstances may result in an increase in fees:
- The University's failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
  - The University's failure to complete the audit preparation work by the applicable due dates;
  - Significant unanticipated or undisclosed transactions, audit issues, or other such unforeseeable circumstances;
  - Delays by the University causing scheduling changes or disruption of fieldwork;
  - After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
  - Issues with the prior audit firm, prior year account balances, or report disclosures that impact the current year engagement;
  - An excessive number of audit adjustments.

PM will use best efforts to advise the University in the event these circumstances occur; however, it is acknowledged that the exact impact on the Fee Quotes may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.



## **Professional Services Agreement – Audit Services**

- 19. Payment Terms** – PM's invoices for professional services are due upon receipt unless otherwise specified in the engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this Agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's services or issuance of PM's report upon resumption of PM's work, whether imposed by agreement or by law. The University agrees that in the event PM stops work or terminates this Agreement as a result of the University's failure to pay fees on a timely basis for services rendered by PM as provided in this Agreement, or if PM terminates this Agreement for any other reason, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.
- 20. Fee Adjustments** – Any fee adjustments for reasons described in this Agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred and included as an adjustment to PM's invoices related to this engagement. The University acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this Agreement.
- 21. Conditions of PM Visit to University Facilities** – The University agrees that some or all of PM's services may be provided remotely. In order to facilitate the provision of services remotely, the University agrees to provide documentation and other information reasonably required by PM for PM's performance of the engaged services electronically to the extent possible throughout the course of the engagement. In the event in-person visits to the University's facility(ies) are requested by the University or otherwise determined by PM to be necessary for the performance of the engaged services, the University agrees, upon PM's request, to provide to PM the University's policies and procedures that the University has implemented relating to workplace safety and the prevention of the transmission of disease at its facility(ies). In addition, the University affirms that it is in compliance with applicable Centers for Disease Control and Prevention and OSHA guidance pertaining to the prevention of the transmission of disease (collectively, "Applicable Preventative Guidance") and agrees that it shall continue to comply with Applicable Preventative Guidance throughout any in-person visits by PM to the University's facility(ies). Notwithstanding the foregoing, PM reserves the right to suspend or refrain from any in-person visit by PM to the University's facility(ies) or impose further conditions on any such in-person visit if and as PM deems necessary. The University agrees and acknowledges that any determination by PM to visit the University's facility(ies) is not and shall not be construed to be or relied on by the University as a determination by PM of the University's compliance with Applicable Preventative Guidance.
- 22. Release for Biological Agent Liability** – PM and the University acknowledges that there is an inherent risk of exposure to infectious diseases associated with any in-person interaction or in-person visit to property. Accordingly, PM and the University, for themselves and its successors and assigns, hereby releases each other and each other's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved third-party service providers (collectively, "Released Persons") from any and all claims or causes of action that PM or the University has, or hereafter may or shall have, against any of them in connection with, related to, or arising out of infectious diseases or the transmission thereof associated with a visit by one or more of the PM Persons to any the University facility(ies) or other in-person interaction with the PM or University personnel.
- 23. Exclusion of Certain Damages** – In no event shall either party be liable to the other, whether a claim be in tort, contract, or otherwise, for any indirect, consequential, punitive, exemplary, lost profits, or similar damages in claims relating to PM's services provided under this engagement.
- 24. Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving the University but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, the University agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
- 25. Subsequent Discovery of Facts** – After the date of PM's report on the financial statements, PM has no obligation to make any further or continuing inquiry or perform any other auditing procedures with respect to the audited financial statements covered by PM's report, unless new information that may affect the report comes to PM's attention. If PM becomes aware of information that relates to these financial statements but was not known to PM at the date of its report, and that is of such a nature and from such a source that PM would have investigated it had it come to PM's attention during the course of the audit, PM will, as soon as practicable, undertake to determine whether the information is reliable and whether the facts existed at the date of PM's report. In this connection, PM will discuss the matter with the University and request cooperation in whatever investigation and modification of the financial statements that may be necessary. Additional fees for such work will be determined based on the actual time that PM staff expend at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and the University acknowledges and agrees that payment for all such additional fees will be made in accordance with the payment terms provided in this Agreement.

**Professional Services Agreement – Audit Services**

26. **Termination of Engagement** – This engagement may be terminated by either party upon written notice. Upon notification of termination of this engagement, PM will cease providing services under the engagement. The University shall compensate PM for all time expended and reimburse PM for all out-of-pocket expenditures incurred by PM through the date of termination of this engagement.
27. **Entire Agreement** – This Agreement is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this Agreement supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this Agreement will only become effective if evidenced by a written amendment to this Agreement, signed by all of the parties.
28. **Severability** – If any provision of this Agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
29. **Force Majeure** – Neither party shall be deemed to be in breach of this Agreement as a result of any delays or nonperformance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war, other violence, epidemic, pandemic or other public health emergency or government mandated shut down (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
30. **Electronic Signatures** – The parties intend that any electronic signature shall be given full legal effect as if it were a handwritten signature.
31. **Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, and jurisdiction over any action to enforce this Agreement, or any dispute arising from or relating to this Agreement shall reside exclusively within the State of Michigan.

**End of Professional Services Agreement – Audit Services**



8550 United Plaza Blvd. Ste. 1001 - Baton Rouge, LA 70809  
225-922-4500 Phone - 225-922-4611 Fax - [pncpa.com](http://pncpa.com)

A Professional Accounting Corporation

## Report on the Firm's System of Quality Control

December 16, 2022

To the Partners of  
Plante & Moran, PLLC  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC (the firm) applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; an audit performed under FDICIA; and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Plante & Moran, PLLC has received a peer review rating of *pass*.

*Postlethwaite & Netterville*

Postlethwaite & Netterville, APAC  
Baton Rouge, Louisiana

---



**Plante & Moran, PLLC**  
Suite 300  
19176 Hall Road  
Clinton Township, MI 48038  
Tel: 586.416.4900  
Fax: 586.416.4901  
plantemoran.com

April 20, 2023

Mr. David Kramer  
Mr. Stephen Mackey  
Oakland University  
201 Meadow Brook Road, Room 13  
Rochester, MI 48309

Dear Mr. Kramer and Mr. Mackey:

Thank you for selecting Plante & Moran, PLLC to assist you. We are sending this letter and the accompanying Professional Services Agreement, the terms of which are hereby incorporated into engagement letter, to confirm the nature, limitations, and terms of the services we will provide for Oakland University ("Client").

#### **Scope of Services**

We will apply the agreed-upon procedures listed in Attachment A that Client agrees to and acknowledges are sufficient and appropriate for the intended purpose of the engagement. The intended users of this report are the Client and the National Collegiate Athletic Association ("NCAA"). The required agreed-upon procedures are prescribed in detail by the NCAA annually through published instructions which is deemed as acknowledgement that the procedures to be performed are appropriate for NCAA's purposes.

The purpose of the procedures in Attachment A is solely to perform testing on certain intercollegiate athletics activity and is being performed on the Client's Intercollegiate Athletics Program Statement of Revenues and Expenses prepared by management under the NCAA Bylaw 3.2.4.15 for Division I for the year ended June 30, 2023, in accordance with the 2022 Agreed-Upon Procedures instructions published by the NCAA. Our engagement to apply the agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and National Collegiate Athletic Association Agreed-Upon Procedures instructions. We make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose.

Because the agreed-upon procedures specified in the attached schedule do not constitute an examination or audit, we will not express an opinion on Client's Intercollegiate Athletics Program Statement of Revenues and Expenses. In addition, we have no obligation to perform any procedures beyond those specified in the attached schedule.

Dana Coomes is the engagement partner for the services specified in this letter and is responsible for supervising PM's services performed as part of this engagement.

If in the course of the engagement we believe other or additional procedures may be appropriate, we will notify you. If you determine that you need additional services, including accounting,

April 20, 2023

consulting, or tax assistance, PM may be available to provide them under the terms of separate engagement letters and for additional fees.

At the completion of our procedures, we will submit a report listing the procedures performed and our findings. The threshold for reporting certain exceptions for this engagement is specified and detailed in Attachment A by the NCAA in the 2022 Agreed-Upon Procedures instructions and agreed to by Client. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported. The report will include a use restriction indicating that it is intended solely for the use of Client the NCAA, and is not intended to be and should not be used by anyone other than those specified parties.

### **Timing of Services**

We expect to begin fieldwork for this engagement at in October 2023. Completion of our procedures and issuance of our report will be dependent upon our ability to obtain sufficient appropriate information and access your staff.

### **Fees and Payment Terms**

Our fee for this engagement, subject to the terms and conditions of the accompanying Professional Services Agreement, will be \$9,000.

If you agree with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,

**Plante & Moran, PLLC**



Dana M. Coomes

Mr. David Kramer and Mr. Stephen Mackey 3  
Oakland University

April 20, 2023

**Agreed and Accepted**

**We accept this engagement letter, including its Attachment, and the accompanying Professional Services Agreement (collectively, "Agreement"), which set forth the entire agreement between Oakland University and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.**

Oakland University

\_\_\_\_\_  
Mr. David Kramer  
Chair, Audit Committee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mr. Stephen Mackey  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

\_\_\_\_\_  
Date

## Attachment A

### PROCEDURES TO BE PERFORMED

We will perform the following agreed-upon procedures on the Client's Intercollegiate Athletics Program Statement of Revenues and Expenses:

#### Internal Control Structure

A. Related to the institution's internal control structure, we will:

- 1) Meet with the institution's president or Associate Vice President and Controller to identify areas of significant interest and specific agreed-upon procedures related to both internal controls and other specified areas. Include the results of the discussion in the AUP report.
- 2) Meet with the Director of Intercollegiate Athletics and inquire about the general control environment over intercollegiate athletic finances, the level of control consciousness in the institution, the competence of personnel and the protection of records and equipment. Include the results of the discussion in the AUP report.
- 3) Obtain the audited financial statements for the year ending June 30, 2023 and any additional reports regarding internal controls if the institution is audited independent of these agreed-upon procedures and any corrective action taken in response to comments concerning internal control structure (if any).
- 4) Obtain any documentation of the accounting systems and procedures unique to the intercollegiate athletics department.
- 5) Cash disbursements and athletic employee payroll are addressed in connection with the audit of the institution's financial statements. The following control environment and accounting systems are (a) unique to the intercollegiate athletics and (b) have not been addressed in connection with the audit of the University's financial statements. We will perform the following procedures:
  - i. We will select 3 games and test the ticket collection receipting process by comparing the total receipts for such games to the reconciliation and documentation of the related cash deposit amount with the bank.

#### NCAA Reporting

- B. We will obtain the information submitted to the NCAA, including the financial data detailing operating revenues, expenses and capital related to the institution's intercollegiate athletics program that will be submitted to the NCAA, and will compare the amounts to the Intercollegiate Athletics Program Statement of Revenues and Expenses (the "Statement") included in the agreed-upon procedures for the reporting period.
- C. For Grants-in-Aid: Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA or equivalent supporting equivalency calculations from the institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Sports Sponsorship and Demographics Form as they are reported by the institution between May and August. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE or equivalent supporting equivalency calculations, inquire about the discrepancy and report the justification in the AUP report. Compare current year Grants-in-Aid revenue distribution equivalencies to prior year reported

## **Attachment A**

equivalencies per the Membership Financial Report submission. Inquire, document, and report in the AUP report, an explanation for any variance great than +/- 4%.

- D. For Sports Sponsorship: Obtain the institution's Sports Sponsorship and Demographics Forms Report for the reporting year between May and August. Validate that the countable sports reported by the institution meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement. Post season contests are not countable toward the contest requirements; regular season only. If the institution requested and/or received a waiver related to minimum contests or minimum participants for a particular sport, that sport would not qualify as a sponsored sport for the purposes of revenue distribution. Also, only sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are eligible. Once countable sports have been confirmed, ensure that the institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Compare current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. Inquire, document, and report in the AUP report, an explanation for any variance. Note: Any discrepancies MUST be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA.
- E. For Pell Grants: Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Athletic Aid, Pell Grant recipients on Partial Athletic Aid and Pell Grant recipients with no Athletic Aid) and the total dollar amount of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institution's financial aid records, of all student-athlete Pell Grants. Compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. Inquire, document, and report in the AUP report, an explanation for any variance greater than +/- 20 grants. Note 1: Only Pell Grants for sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are countable. Note 2: Student-athletes should only be counted once even if the athlete participates in multiple sports. Note 3: individual student-aid file testing in step M1 below should tie any selected student athletes who received Pell Grants back to the report of all student athlete Pell Grants to test the completeness and accuracy of the report.

### **Notes, Disclosures, and Other Procedures**

- F. Athletics Related Capital Assets and Expenditures - We will obtain and describe the institution's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets, and will include in the notes to the statement. We will obtain a schedule of athletics-related capital expenditures made by athletics, the institution, and affiliated organizations during the period. We will agree the schedule to the institution's general ledger.
- G. Athletics Related and Total Institutional Debt - We will obtain repayment schedules for all outstanding intercollegiate athletics debt maintained by the institution during the reporting period. We will recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained and agree the total annual maturities to supporting documentation and the institution's general ledger, as applicable. The repayment schedule(s) shall be included in the notes to the statement. We will agree the total outstanding athletic related debt and total institutional debt to supporting documentation and the institution's audited financial statements, if available, or the institution's general ledger.



## **Attachment A**

- H. Changes in loan, endowment or plant funds related to intercollegiate athletics shall not be included in the Statement.
- 1) We will obtain significant additions to restricted funds related to intercollegiate athletics, as well as significant changes to endowment and plant funds, and disclose separately in the notes to the statement. Significant is defined as exceeding 10 percent of total contributions.
  - 2) We will obtain and disclose the value of endowments at the fiscal year-end that are dedicated to the sole support of athletics. We will agree the fair market value of the schedule(s) to supporting documentation, the general ledger(s) and the audited financial statements, if available. We will agree the total fair market value of athletics dedicated endowments and institutional endowments to supporting documentation, the institution's general ledger and/or audited financial statements, if available.
  - 3) We will obtain and disclose the value of all pledges at the fiscal year-end that support athletics.
  - 4) We will obtain and disclose the athletics department fiscal year-end fund balance.

### **Statement of Revenues and Expenses**

- I. We will obtain the Intercollegiate Athletics Program Statement of Revenues and Expenses for the reporting period, prepared by management, and agree all amounts back to the institution's general ledger.
- J. We will agree each revenue and expense amount from the statement to prior year amounts and budget estimates. We will compare each revenue and expense account over 10 percent of total revenues and expenses, respectively, to prior period amounts and budget estimates. We will obtain and document any variations exceeding 10 percent of total revenues or expenses. We will report the analysis as a supplement to the final report.
- K. We will perform additional procedures on the following revenue and expense categories unless the specific reporting category is less than 4 percent of total revenues or expenses.

### **Revenues**

- L. We will agree each revenue category reported in the statement during the reporting period to supporting schedules provided by the institution.

We will perform the following procedures for the indicated revenue category unless the specific category is less than 4 percent of total revenue:

- 1) Ticket Sales – We will compare tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by the institution in the statement and related attendance figures and recalculate totals.
- 2) Student Fees – We will compare and agree student fees reported by the institution in the statement for the reporting period to student enrollments during the same reporting period. We will obtain documentation of the institution's methodology for allocating student fees to intercollegiate athletics programs and recalculate totals.
- 3) Direct Institutional Support – We will compare the direct institutional support recorded by the institution during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

**Attachment A**

- 4) Indirect Institutional Support – We will compare the indirect institutional support recorded by the institution during the reporting period with expense payments, cost allocation detail, and/or other corroborative supporting documentation and recalculate totals.
- 5) Guarantees – We will select a sample of one settlement reports for away games during the reporting period and agree each selection to the institution’s general ledger and/or the statement. We will select a sample of one contractual agreement pertaining to revenues derived from guaranteed contests during the reporting period and agree each selection to the institution’s general ledger and/or the statement, and recalculate totals.
- 6) Contributions – We will obtain supporting documentation for each contribution of moneys, goods or services received directly by an intercollegiate athletics program for any affiliated or outside organization, agency or group of individuals that constitute 10 percent or more in aggregate of all contributions received for intercollegiate athletics during the reporting period. We will disclose the source and dollar value of these contributions in the report.
- 7) In-kind – We will obtain a schedule of all in-kind donations and compare to the amount recorded on the above revenue supporting schedules and recalculate totals.
- 8) Compensation and Benefits Provided by a Third Party – We will obtain the summary of revenues (the “Summary”) from affiliated and outside organizations as of the end of the reporting period from the institution. We will select a sample from the Summary and agree each selection to supporting documentation, the institution’s general ledger and/or the Summary and recalculate totals.
- 9) Media Rights – We will obtain and inspect available agreements related to the institution’s total media (broadcast, television, radio) rights received by the institution or through their conference offices. We will compare the media right revenues recorded to a summary statement of all media rights identified. We will compare related revenues to the institution’s general ledger and/or the statement and recalculate totals.
- 10) NCAA Distributions – We will compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.
- 11) Conference Distributions– We will obtain and inspect available agreements related to the institution’s conference distributions and participation in revenues from tournaments during the reporting period for relevant terms and conditions. We will compare the related revenues to the institution’s general ledger, and/or the statement.
- 12) Program Sales, Concessions, Novelty Sales, and Parking – We will compare the amount recorded in the revenue reporting category to general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents and recalculate totals.
- 13) Royalties, Licensing, Advertisements, and Sponsorships – We will obtain and inspect agreements related to the institution’s participation in revenues from royalties, advertisements and sponsorships during the reporting period for the relevant terms and conditions. We will compare the related revenues to the institution’s general ledger and/or the statement and recalculate totals.
- 14) Sports Camp Revenues – We will obtain and inspect sports-camp contract(s) between the institution and person(s) conducting the institutional sports-camps or clinics during the reporting period to obtain documentation of the institution’s methodology for recording revenues from sports-camps. We will obtain schedules of camp participants. We will select

## **Attachment A**

a sample of one individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to the institution's general ledger and/or the statement, and recalculate totals.

- 15) Athletics Restricted Endowment and Investment Income – We will obtain and inspect endowment agreements (if any) for relevant terms and conditions. We will compare the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income defined within the related endowment agreement and recalculate totals.
- 16) Football Bowl Revenues – We will obtain and inspect agreements related to the institution's revenues from post-season football bowl participation during the reporting period for the relevant terms and conditions. We will compare and agree the related revenues to the institution's general ledger, and/or statement, and recalculate totals.
- 17) Other – We will compare other revenues to the institution's general ledger, and/or the statement, and recalculate totals.

### **Expenses**

- M. We will agree each expense category reported in the statement during the reporting period to supporting schedules provided by the institution.

We will perform the following procedures for the indicated Expense category unless the specific category is less than 4 percent of total expenses:

- 1) Athletic Student Aid – We will select a sample of 10% students from the listing of institutional student aid recipients during the reporting period (10% of the total student athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40, and 20% of total student athletes for institutions who have not, with a maximum sample size of 60).
  - a. We will obtain individual student account detail for each selection and compare total aid in the institution's student system to student detail in CA or the institution report that ties directly to the NCAA Membership Financial Reporting System.
  - b. We will perform a check of each student selected to ensure that their information was reported accurately in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
    - i. The equivalency value for each student-athlete in all sports, including head-count sports, need to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount which is the total cost for tuition, fees, course-related books, room and board for an academic year as the denominator. If using the NCAA Compliance Assistant software, this equivalency value should already be calculated on that CRDE report labeled "Revenue Distribution Equivalent Award".
    - ii. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).

**Attachment A**

- iii. Other expenses related to attendance (also known as cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.7).
- iv. Full grant amount should be entered as a full year of tuition, not a semester or quarter.
- v. Student-athletes are to be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00.
- vi. Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition and emerging sports for women.
- vii. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.
- viii. Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.
- ix. The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).
- x. If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.
- xi. All equivalency calculations should be rounded to two decimal places.
- xii. If a selected student received a Pell Grant, ensure that the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
- xiii. If a selected student received a Pell Grant, ensure that the student's grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.

c. Recalculate totals for each sport and overall.

- 2) Guarantees – We will obtain and inspect away-game settlement reports received by the institution during the reporting period and agree related expenses to the institution's general ledger and/or the statement. We will obtain contractual agreements pertaining to expenses recorded by the institution from guaranteed contests during the reporting period. We will compare and agree related amounts expensed by the institution during the reporting period to the institution's general ledger and/or the statement and recalculate totals.

**Attachment A**

- 3) Coaching Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities – We will obtain and inspect a listing of coaches employed by the institution and related entities during the reporting period. We will select a sample of three coaches' contracts that must include men's and women's basketball from the above listing. We will compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution and related entities in the statement during the reporting period. We will obtain and inspect payroll summary registers for the reporting year for each selection. We will compare and agree payroll summary registers to the related coaching salaries, benefits and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period and recalculate totals. We will compare and agree the totals recorded to any employment contracts executed for the sample selected.
  
- 4) Coaching Other Compensation and Benefits Paid by a Third Party – We will obtain and inspect a listing of coaches employed by third parties during the reporting period. We will select a sample of three coaches employed by third parties during the reporting period that must include men's and women's basketball. We will compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the institution in the statement during the reporting period. We will obtain and inspect payroll summary registers for each selection. We will compare and agree related payroll summary registers to the coaching other compensation and benefits paid by a third-party expenses recorded by the institution in the statement during the reporting period and recalculate totals.
  
- 5) Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the institution and Related Entities – We will select a sample of three support staff/administrative personnel employed by the institution and related entities during the reporting period. We will obtain and inspect payroll summary registers for each selection. We will agree related payroll summary registers to the related support staff/administrative salaries, benefits and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period and recalculate totals.
  
- 6) Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party – We will select a sample of three support staff/administrative personnel employed by the third parties during the reporting period. We will obtain and inspect payroll summary registers for each selection. We will agree related payroll summary registers to the related support staff/administrative other compensation and benefits expense recorded by the institution in the statement during the reporting period and recalculate totals.
  
- 7) Severance Payments – We will select a sample of one employee receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals.
  
- 8) Recruiting – We will obtain documentation of the institution's recruiting expense policies. We will compare and agree to existing institutional- NCAA-related policies. We will obtain general ledger detail and compare to the total expenses reported.
  
- 9) Team Travel – We will obtain documentation of the institution's team travel policies. We will agree to institutional- and NCAA-related policies. We will obtain general ledger detail and compare to the total expenses reported.

**Attachment A**

- 10) Equipment, Uniforms, and Supplies – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 11) Game Expenses – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 12) Fund Raising, Marketing, and Promotion – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 13) Sports Camp Expenses – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 14) Spirit Groups – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 15) Athletic Facility Debt Service, Leases, and Rental Fees – We will obtain a listing of debt service schedules, lease payments and rental fees for athletic facilities for the reporting year. We will compare a sample of two facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements). We will compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.
- 16) Direct Overhead and Administrative Expenses – We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 17) Indirect Institutional Support – We will test this with the revenue section - Indirect Institutional Support.
- 18) Medical Expenses and Medical Insurance – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 19) Memberships and Dues – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 20) Student-Athlete Meals (non-travel) – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculate totals.
- 21) Other Operating Expenses and Transfers to Institution – We will obtain general ledger detail and compare to the total expenses reported. We will agree a sample of one

**Attachment A**

transaction to validate existence of transaction and accuracy of recording and recalculate totals.

**Related to affiliated and outside organizations not under the Institution's accounting control:**

N. In preparation for our procedures related to affiliated and outside organizations:

- 1) We will obtain from management a list of any affiliated or outside organizations that meet any of the following criteria:
  - i. Booster organizations established by or on behalf of an intercollegiate athletics program.
  - ii. Independent or affiliated foundations or other organizations that have as a principal, or one of their principal purposes, the generating or maintaining of grants-in-aid or scholarships funds, gifts, endowments or other moneys, goods or services to be used primarily by the intercollegiate athletics program.
  - iii. Alumni organizations that have as a principal, or one of their principal purposes, the generating of moneys, goods or services for or on behalf of an intercollegiate athletics programs and that contribute moneys, goods or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.
- 2) We will obtain and inspect audited financial statements of the organization and any additional reports regarding internal controls and any corrective action taken in response to comments concerning the control environment.

O. For expenses on or on behalf of intercollegiate athletic programs by affiliated and outside organizations not under the institution's accounting control, we will obtain those organization's statements for the reporting period. We will compare and agree the amounts reported in the statement to the organization's general ledger.

- 1) We will obtain a summary of revenue and expenses for or on behalf of the organization and will include it with the report.
- 2) We will agree a sample of three operating-revenue categories reported in the organization's statement during the reporting period to supporting schedules provided by the organization.
- 3) We will agree a sample of three operating-revenue receipts obtained from the above operating revenue schedule to supporting documentation.
- 4) We will agree each operating expense category reported in the organization's statement during the reporting period to supporting schedules provided by the organization.
- 5) We will agree a sample of three operating expenses obtained from the above operating expense supporting schedules to supporting documentation.
- 6) We will directly confirm cash balances recorded at the end of the reporting period by the organization and agree to the related year-end bank reconciliation(s).
- 7) We will obtain and inspect minutes of the organization's governing bodies during the reporting period.

***Attachment A***

- 8) We will select a sample of three financial transactions discussed in the minutes and agree each selection to the organization's accounting records, as applicable.
- 9) We will obtain and inspect documentation of the internal controls in place surrounding revenues and expenses related to the organization.



## Professional Services Agreement – Agreed-Upon Procedures Addendum to Plante & Moran, PLLC Engagement Letter

This Professional Services Agreement is part of the engagement letter (collectively, "Agreement") for agreed-upon procedure services dated April 20, 2023 between Plante & Moran, PLLC (referred to herein as "PM") and Oakland University (referred to herein as "Client"). Any work performed in connection with the engagement before the date of this letter will also be governed by the terms and conditions of this Agreement.

- 1. Agreed-Upon Procedures** – PM will apply agreed-upon procedures as outlined in this Agreement. PM's engagement to apply the agreed-upon procedure will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. PM's responsibility in an agreed-upon procedures engagement is to perform the procedures and report the findings as agreed to herein. PM's report will state that PM is not providing an opinion or conclusion on the subject matter. If, for any reason, PM is unable to complete the procedures, PM will describe any restrictions on the performance of the procedures in PM's report, or PM will not issue a report as a result of this engagement.

Due to the limited nature of the specific procedures to be performed, PM's engagement cannot be relied upon to identify or disclose instances of known or suspected fraud or noncompliance with laws and regulations. However, PM will inform the appropriate level of management of any evidence of information that comes to PM's attention during the performance of the engagement that indicates fraud or noncompliance with laws and regulations may have occurred.

Client acknowledges and understands that there is little likelihood that PM's engagement will detect any fraud or non-compliance with laws or regulations that may exist. Client acknowledges and agrees that the nature and extent of the agreed upon procedure services PM will provide, as outlined in this Agreement, are sufficient and appropriate for Client's purposes.

- 2. Management Responsibilities** – Client is responsible for the subject matter of the agreed-upon procedures. Client is responsible for determining that the procedures performed are sufficient and appropriate for their purpose. PM makes no representation regarding the sufficiency of the procedure described in the Attachment A either for the purpose for which this report has been requested or for any other purpose.

Client is responsible for all management decisions and management functions; for evaluating the adequacy and results of the services PM will provide and accepting responsibility for the results of those services; and for establishing and maintaining internal controls, including monitoring ongoing activities, in connection with PM's engagement.

Client personnel will provide PM with information that PM may request for the purpose of this engagement, in a timely and orderly manner. This includes access to all information of which management is aware that is relevant to the procedures being performed, such as records, documentation, and other information and unrestricted access to persons within Client from which PM determines it is necessary to obtain information. This includes retrieval of records and, if applicable, preparation of schedules and analyses. A written request for information to be provided will be submitted under separate cover and supplemented by additional written and oral requests as necessary during the course of PM's engagement.

Client represents and warrants that any and all information that it transmits, or otherwise makes available, to PM will be done so in full compliance with all applicable federal, state, local, and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, "Data Privacy Laws"). Client shall not disclose personal data of data subjects ("Personal Data") who are entitled to certain rights and protections afforded by Data Privacy Laws to PM without prior notification to PM. Client shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

At the conclusion of PM's engagement, PM will request, and Client agrees to provide, certain written representations from Client management that will, among other things, confirm management's responsibility for the subject matter of the agreed-upon procedures, and that Client has obtained from all necessary other parties agreement to the procedures and acknowledgement that the procedures performed are appropriate for their purposes. Client agrees to hold PM harmless from any liability and costs resulting from misrepresentations made to PM by management.

Client is responsible for providing PM with complete, accurate, and timely information that could bear on PM's independence under applicable professional standards, including, but not limited to, information and representations regarding affiliates of Client, business or personal relationships between Client and PM, and business, personal and employment relationships between those in a financial reporting oversight role, including members of governance, and PM (collectively, Independence Information). Client represents and warrants (a) that

## **Professional Services Agreement – Agreed-Upon Procedures**

it has provided PM any and all Independence Information existing as of the date of this Agreement; (b) that such Independence Information is accurate and complete as of the date of this Agreement; (c) that it will notify PM of any changes to Independence Information that has been provided as of the date of this Agreement; and (d) that, after the date of this Agreement, it will provide any new Independence Information to PM as soon as it becomes known to Client.

- 3. Agreed Upon Procedure Records** – Client agrees that it is responsible for providing all information needed to perform the engagement and that such information requested by PM will be complete and accurate. Where PM has provided estimates of the timing of its work and completion of PM's engagement and issuance of PM's report, those estimates are dependent on Client providing PM with all information on the date PM's work commences. In the event that such information is not complete or accurate, PM may have to reschedule its work, including the dates on which PM expects to complete its on-site procedures and issue its report.

In any circumstance where PM's work is rescheduled due to Client's failure to provide information as described in the preceding paragraph, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of the engagement or issuance of its report. Because rescheduling engagement work imposes additional costs on PM, in any circumstance where PM has provided estimated fees, those estimated fees may be adjusted for the additional time PM incurs as a result of rescheduling its work. These fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

- 4. Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to Client's confidential, proprietary information, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to Client. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use and distribution of such confidential client information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of Client.

In the interest of facilitating PM's services to Client, PM may communicate or exchange data by internet, e-mail, facsimile transmission, or other electronic method. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, Client recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both Client and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this Agreement. In the event that a request for any confidential information or workpapers covered by this Agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform Client in a timely manner of such request and to cooperate with Client should it attempt, at Client's cost, to limit such access. This provision will survive the termination of this Agreement. PM's efforts in complying with such requests will be deemed billable to Client as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon Client's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. Client acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

- 5. Consent to Disclosures to Service Providers** – In some circumstances, PM may use third-party service providers in connection with its services, including affiliates of PM within or outside the United States. In those circumstances, PM will be solely responsible for the provision of any services by any such third-party service providers and for the protection of any information provided to such third-party service providers. PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished; and (ii) not use

## **Professional Services Agreement – Agreed-Upon Procedures**

any information for any purpose unrelated with PM's services. Client, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of Client's information, including tax return information, to such third-party service providers, including affiliates of PM outside of the United States, if and to the extent such information is relevant to the services such third-party service providers may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this Agreement. Client's foregoing consent shall be continuing until the services provided for this Agreement are completed.

6. **Fee Quotes** – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on information provided by Client and the planned assistance to be received as described under "Management's Responsibilities" above. In the event that undisclosed or unforeseeable facts regarding these matters causes the actual work required for this engagement to vary from those estimates, or if requested information is not provided in an accurate and timely manner, PM's estimated fees will be adjusted for the additional time PM incurs as a result.

PM will use best efforts to advise Client in the event these circumstances occur; however, it is acknowledged that the exact impact on the Fee Quotes may not be determinable until the conclusion of the engagement. Such fee adjustments will be in accordance with the Fee Adjustments provision of this Agreement.

7. **Payment Terms** – PM invoices for professional services are due upon receipt unless otherwise specified in this engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this Agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's services upon resumption of PM's work, whether imposed by agreement or by law. Client agrees that in the event PM stops work or terminates this Agreement as a result of Client's failure to pay fees on a timely basis for services rendered by PM as provided in this Agreement, or if PM terminates this Agreement for any other reason, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.
8. **Fee Adjustments** – Any fee adjustments for reasons described in this Agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred and included as an adjustment to PM's invoices related to this engagement. Client acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this Agreement.
9. **Conditions of PM Visit to Client Facilities** – Client agrees that some or all of PM's services may be provided remotely. In order to facilitate the provision of services remotely, Client agrees to provide documentation and other information reasonably required by PM for PM's performance of the engaged services electronically to the extent possible throughout the course of the engagement. In the event in-person visits to Client's facility(ies) are requested by Client or otherwise determined by PM to be necessary for the performance of the engaged services, Client agrees, upon PM's request, to provide to PM Client's policies and procedures that Client has implemented relating to workplace safety and the prevention of the transmission of disease at its facility(ies). In addition, Client affirms that it is in compliance with applicable Centers for Disease Control and Prevention and OSHA guidance pertaining to the prevention of the transmission of disease (collectively, "Applicable Preventative Guidance") and agrees that it shall continue to comply with Applicable Preventative Guidance throughout any in-person visits by PM to Client's facility(ies). Notwithstanding the foregoing, PM reserves the right to suspend or refrain from any in-person visit by PM to Client's facility(ies) or impose further conditions on any such in-person visit if and as PM deems necessary. Client agrees and acknowledges that any determination by PM to visit Client's facility(ies) is not and shall not be construed to be or relied on by Client as a determination by PM of Client's compliance with Applicable Preventative Guidance.
10. **Release for Biological Agent Liability** – PM and the University acknowledges that there is an inherent risk of exposure to infectious diseases associated with any in-person interaction or in-person visit to property. Accordingly, PM and the University, for themselves and its successors and assigns, hereby releases each other and each other's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved third-party service providers (collectively, "Released Persons") from any and all claims or causes of action that PM or the University has, or hereafter may or shall have, against any of them in connection with, related to, or arising out of infectious diseases or the transmission thereof associated with a visit by one or more of the PM Persons to any the University facility(ies) or other in-person interaction with the PM or University personnel.
11. **Exclusion of Certain Damages** – In no event shall either party be liable to the other, whether a claim be in tort, contract, or otherwise, for any indirect, consequential, punitive, exemplary, lost profits, or similar damages in claims relating to PM's services provided under this engagement.

### **Professional Services Agreement – Agreed-Upon Procedures**

- 12. Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving Client but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, Client agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
- 13. Termination of Engagement** – This engagement may be terminated by either party upon written notice. Upon notification of termination of this engagement, PM will cease providing services under the engagement. Client shall compensate PM for all time expended and reimburse PM for all out-of-pocket expenditures incurred by PM through the date of termination of this engagement.
- 14. Entire Agreement** – This Agreement is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this Agreement supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this Agreement will only become effective if evidenced by a written amendment to this Agreement, signed by all of the parties.
- 15. Severability** – If any provision of this Agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
- 16. Force Majeure** – Neither party shall be deemed to be in breach of this Agreement as a result of any delays or nonperformance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war, other violence, epidemic, pandemic or other public health emergency or government mandated shut down (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
- 17. Electronic Signatures** – The parties intend that any electronic signature shall be given full legal effect as if it were a handwritten signature.
- 18. Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, and jurisdiction over any action to enforce this Agreement, or any dispute arising from or relating to this Agreement shall reside exclusively within the State of Michigan.

### **End of Agreement – Agreed-Upon Procedures**



**Plante & Moran, PLLC**  
Suite 300  
19176 Hall Road  
Clinton Township, MI 48038  
Tel: 586.416.4900  
Fax: 586.416.4901  
plantemoran.com

April 20, 2023

Mr. David Kramer  
Mr. Stephen Mackey  
Oakland University  
201 Meadow Brook Road, Room 13  
Rochester, MI 48309

Dear Mr. Kramer and Mr. Mackey:

Thank you for selecting Plante & Moran, PLLC ("PM") to assist you. We are sending this letter and the accompanying Professional Services Agreement, the terms of which are incorporated into this engagement letter, to confirm the nature, limitations, and terms of the services we will provide to Oakland University (referred to herein as "you," or "Client").

#### **Scope of Tax Services**

We will perform a limited review of your internally-prepared Form 990-T. This review will be limited to a review of the form on its face; we will not review underlying workpapers or other documents to determine the correctness of the figures or information entered on the return. We will discuss with you any items that we identify during our review that appear to be inconsistent or obviously incorrect. Plante & Moran will not sign the Form 990-T, as our review will not rise to the level that we will be considered the preparer of the return for this purpose. We are not being engaged to prepare any tax returns not described above.

If you wish to engage PM to perform additional services, including accounting, assurance, consulting, or other tax services, PM may be available to provide them under the terms of separate engagement letters and for additional fees.

#### **Timing of Services**

We expect to begin our review in November 2023. Our ability to timely complete this engagement is dependent on the impact of the Coronavirus pandemic, including Client's timely delivery of requested information and access to Client staff.

#### **Fees and Payment Terms**

Our fee for this engagement will be based on the actual time that PM staff expends billed at current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred. We estimate that our fee for this engagement will be \$1,200.

Invoices for the engaged services and out-of-pocket costs will be rendered as services are provided and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

Mr. David Kramer and Mr. Stephen Mackey 2  
Oakland University

April 20, 2023

Our fees for this engagement are based on and depend on timely access to information and/or personnel required to complete the services described above. Unreasonable delays or repeated requests for information or access to personnel resulting in additional time expended (including multiple interview requests with key individuals) will be billed separately at our current hourly rates.

If you agree with our understanding of the terms and limitations of this engagement as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,

**Plante & Moran, PLLC**



Dana M. Coomes

**Agreed and Accepted**

We accept this engagement letter and the accompanying Professional Services Agreement (collectively, "Agreement"), which set forth the entire agreement between Oakland University, (referred to herein as "you," or "Client") and Plante & Moran, PLLC with respect to the services specified in this engagement letter.

Oakland University

\_\_\_\_\_  
Mr. David Kramer  
Chair, Audit Committee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mr. Stephen Mackey  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

\_\_\_\_\_  
Date

## Professional Services Agreement – Tax Consulting Services Addendum to Plante & Moran, PLLC Engagement Letter

The terms of this Professional Services Agreement are incorporated into the accompanying engagement letter (collectively, the Professional Services Agreement and the accompanying engagement letter are referred to herein as the "Agreement") for Tax Consulting Services dated April 20, 2023 between Plante & Moran, PLLC (referred to herein and in such letter as "PM") and Oakland University (referred to as "Client"). Any work performed in connection with the engagement before the date of this letter will also be governed by the terms and conditions of this Agreement.

- 1. Nature of Tax Services** – PM shall provide Client with the tax services stated in the accompanying engagement letter. While PM is not obligated to provide any services that are not stated, PM may agree to provide additional tax services under the terms of additional engagement letters requiring the payment of additional fees.

PM provides tax services in accordance with the Statements of Standards on Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants ("AICPA") and Treasury Regulations stated in Circular 230.

Unless the context clearly indicates otherwise, PM provides its services based upon its understanding of the existing state of the tax law. Tax laws may change through new legislation, the issuance of Treasury Regulations or administrative guidance, and through judicial decisions. PM is not obligated to provide additional services as a result of changes in tax law.

PM may have agreed to provide documents in written or electronic form to Client as described in the accompanying engagement letter's Scope of Services (the "Deliverables"). Client agrees that it shall not rely, and will not induce or permit others to rely, upon any draft advice, opinions, information, reports, and other communications other than a final Deliverable. The content of any Deliverable or other advice provided during the provision of the services engaged hereunder is limited to the matters specifically addressed therein, and unless otherwise agreed in the accompanying engagement letter, does not address any other potential tax consequences, including the potential application of tax penalties to any matter. Once provided in final form, PM is not obligated to update any Deliverable to account for new information or changes in law.

Client and PM acknowledge that PM may, at its own discretion and only to the extent it agrees, provide tax services in the future which are not described in subsequent engagement letters ("Out-Of-Scope Services"). The parties agree that the terms of this Professional Services Agreement shall apply to the provision of Out-Of-Scope Services, unless such term is clearly inconsistent with the provision of such services.

- 2. Client Responsibilities** – Client, and not PM, shall make all management decisions, perform all management functions, and perform all implementation activities in connection with the subject matters addressed by PM's services.

Client, and not PM, shall evaluate the adequacy of PM's services and accept the results of those services. Client, and not PM, shall establish and maintain internal controls, including the appropriate oversight of activities in connection with this engagement. Client designates Mr. Stephen Mackey, Vice President for Finance and Administration, and Treasurer to the Board of Trustees to oversee PM's services.

Where PM is providing services under circumstances which require it to maintain independence, Client and its Management is responsible for providing PM with complete, accurate, and timely information that could bear on PM's independence under applicable professional standards, including, but not limited to, information and representations regarding affiliates of Client, business or personal relationships between Client and PM, and business, personal and employment relationships between those in a financial reporting oversight role, including members of governance, and PM (collectively, Independence Information). Client represents and warrants (a) that it has provided PM any and all Independence Information existing as of the date of this Agreement; (b) that such Independence Information is accurate and complete as of the date of this Agreement; (c) that it will notify PM of any changes to Independence Information that has been provided as of the date of this Agreement; and (d) that, after the date of this Agreement, it will provide any new Independence Information to PM as soon as it becomes known to Client.

Client shall timely provide all information necessary to facilitate PM's services. PM may request additional information. PM may suspend its services or terminate the engagement without liability in the event Client fails to provide all necessary information. Unless Client notifies PM otherwise, PM will rely upon any information provided by Client as true, correct, and complete.

Client shall comply with all applicable laws in connection with transmitting information to PM, including laws which provide privacy rights to third parties ("Data Privacy Laws"). Client shall not disclose personal data of data subjects ("Personal Data") who are entitled to certain rights and protections afforded by applicable Data Privacy Laws to PM without notifying of its intention to transmit such information to PM prior to disclosure. Client shall make

## **Professional Services Agreement – Tax Consulting Services**

reasonable efforts to limit the disclosure of Personal Data to PM to the minimum amount necessary to accomplish the intended purpose of the disclosure.

- 3. Limitations on Tax Services** – The objective of PM's tax consulting services is to provide Client with tax services based upon Client's information. In the event that PM determines that it cannot perform the agreed-upon services without violating professional standards or applicable law, PM may terminate the engagement without liability.

PM will not audit or verify any information which relates to Client. Client shall not rely upon PM's services to identify the existence of any fraud, defalcation, or other irregularity existing within Client's organization and agrees that PM's services shall not provide any level of oversight of Client's internal controls.

PM is not obligated to prepare any tax income tax or information return other than those stated in the accompanying engagement letter. For purposes of this Agreement, "income tax return" shall refer to the return of income required to be filed by section 6012 of the Internal Revenue Code and "information return" shall include any return or other filing obligation required by any other provision of the Internal Revenue or United States Codes. A return may be considered an information return even when it is required to be filed with an income tax return. As such, unless stated in the accompanying engagement letter, PM shall not be obligated to prepare quarterly estimated vouchers or payments, returns and/or informational filings with respect to foreign and offshore entities, activities and transfers of assets, or tax returns that Client may be required to file with states, municipalities, or other taxing or regulatory authorities. "Information returns" include, but are not limited to, returns reported on the following IRS forms: 926, 3520, 3520-A, 5074, 5471, 5472, 8300, 8308, 8594, 8805, 8833, 8854, 8858, 8865, 8898, 8921, 8938, 8992, W-2, W-3, and all variations of forms 1042, 1094, 1095, 1098, and 1099, including all suffixes.

Client shall be responsible for making the final determination with respect to all filing requirements. In the course of providing its services, PM may recommend that Client file additional returns.

In connection with tax consulting services, PM may provide Client with advice related to issues associated with the reporting of items on Client's tax return, including advice relating to tax return positions, tax elections, and other issues. To the greatest extent permitted by law, the parties intend that PM's provision of tax advice relating to Client's tax returns shall not cause PM to be a "non-signing tax return preparer" under Treas. Reg. section 301.7701-15.

PM may request copies of Client's (or certain related persons') tax returns not originally prepared by PM. PM may analyze the tax positions contained on such returns in connection with providing its tax services. Notwithstanding such analysis, PM shall not be liable for any damages related to tax returns that were not originally prepared by PM or the failure to advise Client of any opportunity or obligation to amend such returns.

PM shall not compile, review, or audit Client's financial statements under the terms of this engagement. Client shall not refer to PM in connection with any offering document or in any communication with any third-party regarding its financial statements or any other financial information, unless otherwise permitted under the terms of a separate engagement.

No person who is not specifically named as a client in the accompanying engagement letter ("Third Party") is entitled to rely on or benefit from PM's services. PM disclaims any liability to any Third Party. If Client discloses any tax return, documentation, information, or the contents of any oral or other written communication to any Third Party, Client shall notify such Third Party of the limitations contained in this paragraph, in writing. For purposes of this paragraph, a disclosure shall not be deemed to include the filing of any tax return or providing any information to a governmental agency.

- 4. Governmental Review of Tax Returns** – Client's tax returns and other matters related to Client's tax obligations may be subject to examination, review, or inquiry by tax authorities. PM offers no guarantee that tax return positions reported on prepared returns will be upheld and no additional taxes, penalties, or interest will be assessed.

Client, and not PM, shall maintain all documentation which may be required to respond to inquiries or examinations of taxing jurisdictions with respect to all matters related to returns, including copies of tax returns and proof of filing.

Unless stated in the accompanying, or a different, engagement letter, PM shall not be obligated to respond, provide advice, or represent Client in connection with inquiries or examinations conducted by tax authorities, including proceedings commenced by taxing authorities for the purpose of collecting unpaid taxes, penalties, or interest.

- 5. Disclosure of Tax Positions** – Tax laws require that tax returns disclose certain tax positions unless there is a minimum required level of authority to support such positions. PM may recommend such disclosures. Notwithstanding PM's recommendations, Client, and not PM, has the final responsibility with respect to disclosure of any tax return positions. PM is not liable for any tax consequences resulting from Client's failure to satisfy disclosure requirements.

Unless stated in the accompanying engagement letter, PM is not obligated to assist in the determination of whether a minimal level of support exists for a tax position, or to prepare any required disclosures.



## **Professional Services Agreement – Tax Consulting Services**

6. **Reportable Transactions** – Federal and some state tax shelter laws impose additional requirements upon taxpayers, including federal laws requiring additional disclosures in connection with reportable transactions, including some transactions occurring in the ordinary course of business. Under federal law, reportable transactions include (1) listed transactions; (2) transactions with contractual protections; (3) confidential transactions; (4) loss transactions; and (5) transactions of interest. More information regarding this requirement may be found at the IRS website at <https://www.irs.gov/businesses/corporations/abusive-tax-shelters-and-transactions>.

Federal reportable transaction disclosures may include the filing of IRS Form 8886 (or 8886-T) with tax returns and copies with the IRS Office of Tax Shelter Analysis. Taxpayers who are required, but fail, to file IRS Form 8886 (or 8886-T) may be subject to substantial penalties. In some cases, the obligation to file Form 8886 (or 8886-T) may continue after the filing of the tax return until the expiration of the period of limitations for assessing tax.

**For transactions which provide a tax benefit in Mexico, only:** Mexico's "reportable transaction" rules require either a Mexican taxpayer or its advisor to report to the Mexican Tax Administration Service ("SAT") any transactions that are designed, marketed, organized, implemented, or administered to provide a tax benefit to the taxpayer. In connection with these rules, Client hereby agrees, if applicable, that it will submit to SAT any required disclosure reports referred to in section VI of article 198 of the Mexican Federal Tax Code. Client hereby acknowledges that tax advice provided by PM pursuant to this engagement could relate to a "reportable transaction" and hereby releases PM, its partners, managers, and employees, of any obligation to disclose any such transaction to SAT. Client further assumes the obligation to indemnify, reimburse, and exempt PM from any liability that may arise as a result of Client's failure to comply with its reporting obligations. If, for any reason, PM is compelled to report any transaction to SAT, Client agrees that PM's disclosure of such transaction does not constitute a violation of PM's professional obligations or any confidentiality obligations arising under the terms of this Agreement.

PM recommends that Client determine whether such laws apply to its transactions. Client shall notify PM in the event any transaction included within the scope of accompanying engagement letter constitutes a reportable transaction. Client, and not PM, shall be responsible for compliance with all "tax shelter" laws, including those arising from reportable transactions. Unless otherwise stated in the accompanying engagement letter, PM is not obligated to assist Client in the determination or satisfaction of any obligations existing under such laws or to prepare Form 8886 (or 8886-T).

7. **"Economic Substance" Doctrine** – Federal tax law requires all transactions to have "economic substance." If a transaction lacks economic substance, then tax benefits (including tax credits and deductions) arising from the transaction may be disallowed.

If a tax return properly discloses a transaction which lacks economic substance, the IRS may assess a 20 percent penalty. The IRS may assess a 40 percent penalty if the transaction has not been properly disclosed. To avoid such penalties, PM recommends that Client determine whether such rules apply to any transactions.

Client, and not PM, shall be responsible for all matters with respect to transactions which may lack economic substance. Unless specifically stated otherwise in the accompanying engagement letter, PM is not obligated to assist Client in determining whether a transaction lacks economic substance or complying with any disclosure requirements.

8. **Foreign Account Reporting** – Federal law requires the disclosure of holdings of interests in foreign financial assets on FinCen Form 114 (Report of Foreign Bank and Financial Accounts) and / or IRS Form 8938. Failure to file such reports for an account may result in penalties of up to the greater of (1) 50 percent of the highest value of the account during the year of the failure, or (2) \$10,000. Additional civil and criminal penalties may apply if the failure is intentional. PM recommends that Client review its ownership of any foreign interests in order to determine any disclosure requirements.

Client, and not PM, shall be responsible for compliance with all matters related to the disclosure requirements of any holdings of interests in foreign financial assets. Unless otherwise stated in the accompanying engagement letter, PM is not obligated to assist Client in determining whether Client is the holder of interests in foreign financial assets requiring disclosure on FinCen Form 114 and / or IRS Form 8938, or the preparation of such forms.

Where PM has agreed to prepare Form 114 or 8938, Client shall provide PM with all information related to holdings of an interests in foreign financial assets that (1) Client holds directly, (2) Client holds indirectly, or (3) an officer of Client possesses signature or other authority with respect to such asset.

9. **Confidentiality, Ownership, and Retention of Workpapers** – During the course of the engagement, PM may have access to Client's confidential, proprietary information. For example, PM may have access to general ledger balances, financial transactions, trade secrets, business methods, plans, and projects. PM shall comply with all applicable ethical standards, laws, and regulations in connection with the retention, protection, use, and distribution

## **Professional Services Agreement – Tax Consulting Services**

of such information. Except to the extent set forth herein, PM shall not disclose such information to any third party without Client's prior written consent.

In connection with providing tax services, PM may communicate or exchange data by internet, e-mail, facsimile transmission, and other electronic methods. PM shall not be liable for the unauthorized interception of information by any third party.

PM may create and retain workpapers in connection with providing tax services. All workpapers shall remain the property of PM. PM shall maintain the confidentiality of any workpapers pertaining to Client.

PM may be required to provide tax returns, workpapers, and tax return information (collectively, "Confidential Information") to governmental agencies or third parties pursuant to administrative or court orders (including subpoenas) in proceedings. PM shall not be liable for unauthorized disclosure in such circumstances. PM shall inform Client of the existence of any request for Confidential Information, unless otherwise prohibited by law, in a timely manner of such request and to reasonably cooperate with Client to limit such access.

In addition to circumstances in which PM is required to provide Confidential Information by pursuant to a request described above, PM may allow third parties to view Confidential Information with Client's consent.

PM is not obligated to retain Client's Confidential Information but may retain Confidential Information for purposes of complying with regulatory or legal requirements.

The terms of this paragraph shall apply after the termination or conclusion of this engagement.

- 10. Consent to Disclosures to Service Providers** – In some circumstances, PM may use third-party service providers in connection with PM's tax services, both within or outside the United States. In those circumstances, PM will be solely responsible for the provision of any services by any such third-party service providers and for the protection of any information provided to such third-party service providers. PM will require any such third-party service provider to: (1) maintain the confidentiality of any information furnished; and (2) not use any information for any purpose unrelated to PM's services. Client, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of Client's tax return information to such third-party service providers, including affiliates of PM outside of the United States, to the extent such tax return information is relevant to the services the third-party service provider may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this Agreement. Until further written notice from Client withdrawing or limiting such consent, Client's foregoing consent shall be continuing until the services provided for this Agreement are completed.
- 11. Protected Health Information** – If and to the extent PM needs to review protected health information ("PHI") as defined under the Health Insurance Portability and Accountability Act of 1996 ("HIPPA") to perform the engaged services, Client agrees to separately execute a Business Associate Agreement and Client agrees to make reasonable efforts to limit the disclosure of any PHI to the minimum amount necessary to accomplish the intended purpose of the disclosure to PM.
- 12. Fee Quotes** – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on the quality of information provided by Client, and the nature and character of transactions involved, among other factors. Client acknowledges that if the information provided to PM is not true, complete, timely and accurate, Client may incur additional fees. By way of example and not by limitation the following are examples of circumstances that may result in an increase in fees:
  - Client's failure to provide information before deadlines;
  - Client's failure to timely respond to PM's request for additional information not covered by the parties' agreement to provide by specific due dates;
  - Significant unanticipated or undisclosed transactions, new tax issues, or other such unforeseeable circumstances;
  - Delays by Client causing scheduling changes or disruption of the planned timing of tax services;
  - Circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete tax services; or
  - Issues with other tax, legal, or other professionals that impact the current engagement.

PM will use best efforts to advise Client in the event such circumstances occur; however, the exact impact on the Fee Quote may not be determined until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

## **Professional Services Agreement – Tax Consulting Services**

- 13. Fee Adjustments** – Any fee adjustments for reasons described in this Agreement will be determined based on the actual time that PM staff expends at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred. All such fee adjustments will be made in accordance with payment terms provided in this Agreement.
- 14. Payment Terms** – PM's invoices for professional services are due upon receipt unless otherwise specified in the engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this Agreement, PM may suspend work until PM receives payment in full for all amounts due or may terminate this engagement. In the event that work is suspended, PM offers no assurance that it will be able to meet any previously established deadlines related to the completion of PM's services, whether imposed by agreement or by law. PM shall have no liability to Client for damages as a result of suspending or terminating services where Client fails to pay amounts due PM on a timely basis.
- 15. Conclusion of Engagement** – Client acknowledges that PM's obligation to provide services pursuant to this engagement shall terminate and the engagement will conclude, upon (1) PM's satisfactions of its obligations as described in the accompanying engagement letter or (2) termination of the engagement as specified elsewhere in this Agreement.
- 16. Subsequent Discovery of Facts** – Following the conclusion of this engagement, PM shall not be liable to provide any further services in response to additional facts not previously known to PM. PM may, at Client's request and for additional fees, provide additional services that addresses additional facts or information not previously known by PM. Additional services may be provided in connection with a separate engagement.
- 17. Conditions of PM Visit to Client Facilities** – Client agrees that some or all of PM's services may be provided remotely. In order to facilitate the provision of services remotely, Client agrees to provide documentation and other information reasonably required by PM for PM's performance of the engaged services electronically to the extent possible throughout the course of the engagement. In the event in-person visits to Client's facility(ies) are requested by Client or otherwise determined by PM to be necessary for the performance of the engaged services, Client agrees, upon PM's request, to provide Client's policies and procedures that Client has implemented relating to workplace safety and the prevention of the transmission of disease at its facility(ies). In addition, Client affirms that it is in compliance with applicable Centers for Disease Control and Prevention and OSHA guidance pertaining to the prevention of the transmission of disease (collectively, "Applicable Preventative Guidance") and agrees that it shall continue to comply with Applicable Preventative Guidance throughout any in-person visits by PM to Client's facility(ies). Notwithstanding the foregoing, PM reserves the right to suspend or refrain from any in-person visit by PM to Client's facility(ies) or impose further conditions on any such in-person visit if and as PM deems necessary. Client agrees and acknowledges that any determination by PM to visit Client's facility(ies) is not and shall not be construed to be or relied on by Client as a determination by PM of Client's compliance with Applicable Preventative Guidance.
- 18. Exclusion of Certain Damages** – The total aggregate liability of PM, PM's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved third-party service providers (collectively, "PM Persons") to Client for any and all claims, losses, costs, and damages of any nature whatsoever shall not exceed one (1) time the total fee paid to PM for the services provided in connection with this engagement letter. For Out-Of-Scope Services, the total aggregate liability of the PM Persons shall not exceed one (1) time the total fee paid to PM for the Out-Of-Scope Services. In no event shall PM or the PM Persons be liable to Client, whether a claim be in tort, contract, or otherwise, for any consequential, indirect, punitive, exemplary, lost profits, or similar damages relating to PM's services provided under this engagement. None of the above limitations of PM's liability shall limit PM's liability for willful misconduct or any other liability which cannot be lawfully limited or excluded.  
  
Notwithstanding the foregoing, neither PM nor any of the PM Persons shall have any liability to Client for any damages resulting, in whole or in part, from Client's failure to provide complete, timely, and accurate information in connection with PM's services.
- 19. Defense, Indemnification, and Hold Harmless** – As a condition of PM's willingness to perform the services provided for in the engagement letter, Client agrees to defend, indemnify, and hold PM and the PM Persons harmless against any claims by third parties for losses, claims, damages, or liabilities, to which PM or the PM Persons may become subject in connection with or related to the services performed in the engagement, unless a court having jurisdiction shall have determined in a final judgment that such loss, claim, damage, or liability was caused directly by the willful misconduct or gross negligence of PM, or one of the PM Persons. This defense, indemnity, and hold harmless obligation includes the obligation to reimburse PM and/or the PM Persons for any legal or other expenses incurred by PM or the PM Persons in connection with investigating or defending any such losses, claims, damages, or liabilities.

## **Professional Services Agreement – Tax Consulting Services**

- 20. Limitation on Period to File Claims** – Any claim (based in contract, tort, or any other basis) made by either party shall be deemed waived if such claim is not the subject of a lawsuit filed within two years of the conclusion of this engagement. This provision shall not apply to any indemnification obligation created by this Agreement or applicable law.
- 21. Legal Advice** – Client acknowledges that some of PM's partners and employees are licensed to practice law, but PM is not registered as a law firm in any jurisdiction. Client shall not rely upon any advice given by PM, any PM partner or employee (collectively, the "PM Persons") as legal advice, nor shall Client rely upon the PM Persons to satisfy, or assist Client in satisfying, any legal obligations. Upon request, PM may assist Client through the recommendation of counsel who may assist Client. Where such assistance is provided, Client agrees to hold PM harmless, and indemnify PM for the claims of third parties, for all damages claimed as a result of PM's recommendations.
- 22. Waiver of Right to a Jury Trial** – Each party acknowledges and agrees that any dispute that may arise under this Agreement or the services provided to Client is likely to involve complicated and difficult issues; therefore, each of the parties hereto irrevocably waives any and all right to trial by jury in any legal proceedings arising out of or relating to this Agreement or the transactions or matters contemplated hereby.
- 23. Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving Client but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, Client shall compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party. The terms of this paragraph shall also apply to requests for PM's workpapers, as discussed in the "Confidentiality, Retention, and Ownership of Workpapers" paragraph above.
- 24. Termination of Engagement** – This engagement may be terminated by either party upon written notice. Upon notification of termination of this engagement, PM will cease providing services under the engagement. Client shall compensate PM for all time expended and reimburse PM for all out-of-pocket expenditures incurred by PM through the date of termination of this engagement.
- 25. Entire Agreement** – This Agreement is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this Agreement, signed by all of the parties.
- 26. Severability** – If any provision of this Agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
- 27. Force Majeure** – Neither party shall be deemed to be in breach of this Agreement as a result of any delays or nonperformance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war, other violence, epidemic, pandemic or other public health emergency, or government mandated shut down (each individually a "Force Majeure Event"). Client acknowledges and agrees that a Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
- 28. Electronic Signatures** – The parties intend that any electronic signature shall be given full legal effect as if it were a handwritten signature.
- 29. Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, and jurisdiction over any action to enforce this Agreement, or any dispute arising from or relating to this Agreement shall reside exclusively within the State of Michigan.

## **End of Agreement – Tax Consulting Services**