



January 6, 2025

Town of Ulysses
10 Elm Street
Trumansburg, New York 14886

Attention: Katelin Olson, Supervisor and Town Board

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit Town of Ulysses' (the Town) governmental activities, each major fund, aggregate remaining fund information and supplementary information as of and for the year ending December 31, 2024, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter ("Engagement Letter").

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit 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 (GAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user made on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS and GAS. Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, GAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, based on an understanding of the entity and its environment, the applicable financial reporting framework, and the entity's system of internal control, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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- Consider the entity's system of internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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 exists, even though the audit is properly planned and performed in accordance with GAAS and GAS. Because the determination of waste or abuse is subjective, GAS does not require auditors to perform specific procedures to detect waste or abuse in financial statement audits.

We will communicate to the Town Board (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

Our report(s) on internal control over financial reporting and over compliance for major programs will include any significant deficiencies and material weaknesses in internal control over financial reporting and over compliance for major programs of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control over financial reporting and over compliance for major programs consistent with requirements of the standards and regulations identified above. Our report(s) on compliance matters will address material errors, fraud, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants and GAS.

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The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

- 1) Identifying and ensuring that the Town complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
- 2) The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Town involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
- 3) Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Town received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require to be presented to supplement the basic financial statements.

Management is also responsible for the preparation of the supplementary information presented in relation to the financial statements as a whole in accordance with U.S. GAAP. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements.

The Town Board is responsible for informing us of its views about the risks of fraud, waste or abuse within the Town, and its knowledge of any fraud, waste or abuse or suspected fraud, waste or abuse affecting the Town.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledges and understands that they have responsibility:

- 1) For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP);
- 2) To evaluate subsequent events through the date the financial statements are issued. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
- 3) For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;

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- 4) For report distribution; and
- 5) To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
 - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audit in accordance with the proposed timeline;
 - c. Additional information that we may request from management for the purpose of the audit; and
 - d. Unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

- 1) That management has fulfilled its responsibilities as set out in the terms of this Engagement Letter; and
- 2) That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Reporting

We will issue a written report upon completion of our audit of the Town's financial statements. Our report will be addressed to the Town Board of the Town. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditors' report.

If circumstances arise relating to the condition of the Town's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

In addition to our report on the Town's financial statements, we will also issue the following reports:

- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with GAS;

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Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the Town's books and records. The Town will determine that all such data, if necessary, will be so reflected. Accordingly, the Town will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Town personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Blixxy Taetzsch, Bookkeeper. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Nonaudit Services

In connection with our audit, you have requested us to perform the following nonaudit services:

- Assistance in the preparation of the financial statements and related notes of the Town in conformity with U.S. GAAP based on information provided by you.
- Assistance with Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service[s] to the Town, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit service[s] provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit service[s] to be performed. The Town has agreed that Blixxy Taetzsch, Bookkeeper possesses suitable skill, knowledge or experience and that the individual understands the nonaudit service[s] to be performed sufficiently to oversee them. Accordingly, the management of the Town agrees to the following:

- 1) The Town has designated Blixxy Taetzsch, Bookkeeper as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
- 2) Blixxy Taetzsch, Bookkeeper will assume all management responsibilities for subject matter and scope of the nonaudit services;
- 3) The Town will evaluate the adequacy and results of the services performed; and
- 4) The Town accepts responsibility for the results and ultimate use of the services.

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GAS further requires that we establish an understanding with the Town’s management and those charged with governance of the objectives of the non-audit services, the services to be performed, the Town’s acceptance of its responsibilities, the auditors’ responsibilities and any limitations of the non-audit services. We believe this Engagement Letter documents that understanding.

Other Relevant Information

In accordance with GAS, a copy of our most recent peer review report is available on our website (www.inserocpa.com) or by request for your information.

Fees and Costs

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

- 1) Anticipated cooperation from Town personnel
- 2) Timely responses to our inquiries
- 3) Timely completion and delivery of client assistance requests
- 4) Timely communication of all significant accounting and financial reporting matters
- 5) The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

The payment schedule for the aforementioned services is as follows:

Audit services for the year ending December 31, 2024	\$19,500
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Use of Third-Party Products

We may provide services to you using certain third-party hardware, software, equipment, or products (collectively, “Third-Party Products” and each, individually, a “Third-Party Product”). You acknowledge that the use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by or on behalf of you to us, including Confidential Information and Personal Information, within the Third-Party Product’s infrastructure and not ours. You further acknowledge that the terms of use and service, including, but not limited to, applicable laws, set forth in the end-user license, end-user subscription agreement, or other end-user agreement for such Third-Party Product (collectively, “EULA(s)”) will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product’s infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein.

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To the extent Insero & Co. CPAs, LLP gives the Town access to a Third-Party Product in connection with the services contemplated herein, the Town agrees to comply with the terms of any applicable EULA for such Third-Party Product, and the Town shall be solely responsible for the improper use of a Third-Party Product or a violation of the applicable EULA for such Third-Party Product, by the Town, or any user to whom the Town grants access to such Third-Party Product. The Town agrees to indemnify and hold Insero & Co. CPAs, LLP harmless from and against any claims, actions, lawsuits, proceedings, judgments, liens, losses, damages, costs, expenses, and fees (including reasonable legal fees, expenses, and costs) and other liabilities relating to, or arising from or out of, the improper use of a Third-Party Product, or a violation of the terms of the applicable EULA for such Third-Party Product, by the Town, or any user to whom the Town grants access to such Third-Party Product.

You acknowledge that the use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from the use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of Insero & Co. CPAs, LLP. For the purposes of this Engagement Letter, the term “Audit Documentation” shall mean the confidential and proprietary records of Insero & Co. CPAs, LLP’s audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by Insero & Co. CPAs, LLP for the Town under this Engagement Letter, or any documents belonging to the Town or furnished to Insero & Co. CPAs, LLP by the Town.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable Insero & Co. CPAs, LLP policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in Insero & Co. CPAs, LLP’s form. Insero & Co. CPAs, LLP reserves the right to decline a successor auditors’ request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Town, the Town will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

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You acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least seven years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of Insero & Co. CPAs, LLP audit personnel and at a location designated by our firm.

Indemnification, Limitation of Liability, and Claim Resolution

Because Insero & Co. CPAs, LLP will rely on the Town and its management and Town Board to discharge the foregoing responsibilities, the Town agrees to indemnify, hold harmless and release Insero & Co. CPAs, LLP and its partners, principals, officers, directors, employees, affiliates, subsidiaries, contractors, Subcontractors, agents, representatives, successors, or assigns from all third-party claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Town's management.

The Town and Insero & Co. CPAs, LLP agree that no claim arising out, from, or relating to the services rendered pursuant to this Engagement Letter shall be filed more than two years after the date of the audit report issued by Insero & Co. CPAs, LLP or the date of this Engagement Letter if no report has been issued. In no event shall Insero & Co. CPAs, LLP or the Town, or any of their respective partners, principals, officers, directors, employees, affiliates, subsidiaries, contractors, subcontractors, agents, representatives, successors, or assigns (collectively, the "covered parties" and each individually, a "covered party"), be liable for the interruption or loss of business, any lost profits, savings, revenue, goodwill, software, hardware, or data, or the loss of use thereof (regardless of whether such losses are deemed direct damages), or incidental, indirect, punitive, consequential, special, exemplary, or similar such damages, even if advised of the possibility of such damages. Except for a covered party's indemnification obligations under this Engagement Letter, to the fullest extent permitted by law, the total aggregate liability of the covered parties arising out of, from, or relating to this Engagement Letter, or the report issued or services provided hereunder, regardless of the circumstances or nature or type of claim, including, without limitation, claims arising from a covered party's negligence or breach of contract or warranty, or relating to or arising from a government, regulatory or enforcement action, investigation, proceeding, or fine, will not exceed the total amount of the fees paid by the Town to Insero & Co. CPAs, LLP under this Engagement Letter. Notwithstanding the foregoing, nothing in this limitation of liability provision shall, or shall be interpreted or construed to, relieve the Town of its payment obligations to Insero & Co. CPAs, LLP under this Engagement Letter.

Confidentiality

Insero & Co. CPAs, LLP and the Town may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, Insero & Co. CPAs, LLP and the Town agree as the recipient of such Confidential Information (the "Receiving Party") to keep strictly confidential all Confidential Information provided to it by the disclosing party (the "Disclosing Party") and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Engagement Letter.

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Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, Inero & Co. CPAs, LLP is permitted to disclose the Town's Confidential Information to Inero & Co. CPAs, LLP's personnel, agents, and representatives to provide the services or exercise its rights under this Engagement Letter or for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, "Confidential Information" means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Engagement Letter.

As used herein, the term "Confidential Information" will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party's possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Disclosing Party's Confidential Information.

The Receiving Party will treat the Disclosing Party's Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Engagement Letter.

Notwithstanding anything stated to the contrary in this Engagement Letter, the Town consents to Inero & Co. CPAs, LLP: (i) using any information or data, including Confidential Information and Personal Information, provided by or on behalf of the Town, or otherwise obtained by Inero & Co. CPAs, LLP, in connection with the services provided under this Engagement Letter, to provide the Town with professional services under any other professional services agreement the Town enters into or has entered into with Inero & Co. CPAs, LLP; and (ii) using any information or data provided by or on behalf of the Town, or otherwise obtained by Inero & Co. CPAs, LLP, in connection with professional services provided by Inero & Co. CPAs, LLP under another professional service agreement Inero & Co. CPAs, LLP has entered into with the Town, including confidential, personal, or other protected information, to provide the services under this Engagement Letter to the Town.

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Personal Information

As used herein, the term “Personal Information” means any personal information as may be defined by applicable privacy, data protection or cybersecurity laws, that directly or indirectly identifies a natural person, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver’s license numbers or state- or province-issued identification card numbers, and health information.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. We are permitted to use all such Personal Information to perform our obligations and exercise our rights under this Engagement Letter. You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

We are permitted to use all such Personal Information to perform our obligations and exercise our rights under this Engagement Letter. The parties agree that as part of the performance of the services as described in this Engagement Letter, and as part of the direct business relationship between the parties, we may use the Personal Information to improve and develop services and for other similar internal and business purposes. We agree to maintain appropriate security measures to protect such Personal Information in accordance with applicable laws.

If we become aware of an unauthorized acquisition or use of Town-provided Personal Information, we will promptly inform you of such unauthorized acquisition or use as required by applicable laws and, upon your written request, reasonably cooperate with you at your sole cost in support of any breach notification requirements as imposed upon you by applicable laws.

Retention of Records

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Engagement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards or to exercise our rights under this Engagement Letter. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Engagement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

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You may terminate this Engagement Letter for any reason upon fifteen (15) days' prior written notice to us. In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

Either party may terminate this Engagement Letter upon written notice if: (i) circumstances arise that in its judgment would cause its continued performance to result in a violation of law, a regulatory requirement, applicable professional or ethical standards, or, in the case of Insero & Co. CPAs, LLP, our client acceptance or retention standards; or (ii) if the other party is placed on a Sanctioned List (as defined herein), or if any director or executive of, or other person closely associated with such other party or its affiliate, is placed on a Sanctioned List.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Engagement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Engagement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Engagement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Engagement Letter. Accordingly, the scope, timing and fee Arrangement discussed in this Engagement Letter will no longer apply. In order for us to recommence work, the execution of a new Engagement Letter will be required.

The parties agree that those provisions of this Engagement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Engagement Letter.

Miscellaneous

We may mention your name and provide a general description of the engagement in our client lists and marketing materials.

Notwithstanding anything stated to the contrary in this Engagement Letter, the Town acknowledges and consents that we also may utilize Confidential Information and Personal Information to improve the quality of our services and offerings and/or (iii) develop or perform internal data analysis, or other insight generation. Information developed in connection with these purposes may be used by us to provide services or offerings. We will not use your Confidential Information or Personal Information in a way that would permit the Town or an individual to be identified by third parties without your prior written consent.

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You have informed us that you may issue public debt in the future and that you may include our report on your financial statements in the offering statement. You have further informed us that you do not intend for us to be associated with the proposed offering.

We agree that our association with any proposed offering is not necessary, providing the Town agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The Town agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

Insero & Co. CPAs, LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Insero & Co. CPAs, LLP also has not performed any procedures relating to this official statement or memorandum.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agree to compensate us for any additional costs incurred as a result of your employment of one of our partners, principals or employees.

Each party hereto affirms it has not been placed on a Sanctioned List (as defined below) and will promptly notify the other party upon becoming aware that it has been placed on a Sanctioned List at any time throughout the duration of this Engagement Letter. The Town shall not, and shall not permit third parties to, access or use any of the deliverables provided for hereunder, or Third-Party Products provided hereunder, in violation of any applicable sanctions laws or regulations, including, but not limited to, accessing or using the deliverables provided for hereunder or any Third-Party Products from any territory under embargo by the United States or Canada. The Town shall not knowingly cause Insero & Co. CPAs, LLP to violate any sanctions applicable to Insero & Co. CPAs, LLP. As used herein "Sanctioned List" means any sanctioned person or entity lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the Consolidated Canadian Autonomous Sanctions List, the United Nations Security Council, the European Union, and United Kingdom.

Any term of this Engagement Letter that would be prohibited by or impair our independence under applicable law or regulation shall not apply, to the extent necessary only to avoid such prohibition or impairment.

Notices

Unless otherwise expressly agreed upon by the parties in this Engagement Letter, all notices required to be given hereunder will be in writing and addressed to the party at the business address provided in this Engagement Letter, or such other address as such party may indicate by a notice delivered to the other party. A copy of any legal notice (e.g., any claimed breach or termination of this Engagement Letter) sent by the Town to Insero & Co. CPAs, LLP shall also be sent to the following address: 20 Thornwood Drive, Suite 200, Ithaca, New York, 14850.

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Except as otherwise expressly provided in this Engagement Letter, notices hereunder will be deemed given and effective: (i) if personally delivered, upon delivery; (ii) if sent by registered or certified mail or by overnight courier service with tracking capabilities, upon receipt; and, (iii) if sent by electronic mail (without indication of delivery failure), at such time as the party that sent the notice receives confirmation of receipt, whether by read-receipt confirmation or otherwise.

Governing Law

This Engagement Letter, including, without limitation, its validity, interpretation, construction, and enforceability, and any dispute, litigation, suit, action, claim, or other legal proceeding arising out of, from, or relating in any way to this Engagement Letter, any provisions herein, a report issued or the services provided hereunder, will be governed and construed in accordance with the laws of the State of New York, without regard to its conflict of law principles, and applicable U.S. federal law.

Entire Agreement

This Engagement Letter constitutes the complete and exclusive statement of agreement between Insero & Co. CPAs, LLP and the Town, and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Engagement Letter.

If any term or provision of this Engagement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Engagement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this Engagement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (a) to be "written" or "in writing," (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (a) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (b) an electronic copy of a traditional signature affixed to a document, (c) a signature incorporated into a document utilizing touchscreen capabilities or (d) a digital signature. This Engagement Letter may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Town of Ulysses
January 6, 2025
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Please sign and return a copy of this Engagement Letter to indicate your acknowledgment of, and agreement with, the Arrangements for our audit of the financial statements, including our respective responsibilities.

Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein. Each party and its signatory below represents that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

Respectfully Submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants
Ithaca, New York

Duane Shoen, CPA, Partner

Confirmed on behalf of Town of Ulysses:

Katelin Olson, Supervisor

Date