

December 15, 2020

LSC REPRESENTATIVE
SAMPLE LSC
123 Main Street
Anytown, CO 80220

Dear LSC REPRESENTATIVE:

Thank you for your selection of FIRM to assist you. We are sending this letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, to confirm our understanding of the nature, limitations, and terms of the services we will provide for SAMPLE LSC ("LSC").

Scope of Services

We will apply the agreed-upon procedures listed in Attachment A that LSC and USA Swimming (the "Specified Parties") has determined to be necessary. The procedures will be applied to LSC financial reports as of and for the year ended December 31, 2020, prepared in accordance with LSC policies and procedures. This engagement is solely to provide information to the Specified Parties for the submission of information to USA Swimming in accordance with the Affiliation Agreement. 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. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, 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 review, we will not express an opinion or conclusion on the LSC financial reports. In addition, we have no obligation to perform any procedures beyond those specified in the attached schedule.

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, consulting, or tax assistance, FIRM can be available to provide such additional services if and to the extent provided for in a separate, signed engagement agreement.

At the completion of our procedures, we will submit a report listing the procedures performed and our findings. The report is intended solely for the use of Specified Parties and should not be used by anyone other than these Specified Parties. 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.

Timing of Services

Due to the effects of the Coronavirus pandemic, as an alternative to certain elements of our on-site work, we expect to perform procedures remotely. This work is expected to begin on DATE. Completion of our procedures will be dependent upon our ability to obtain sufficient appropriate information and access your staff during these remote procedures. If there are procedures that will require us to be on-site, we will work with you to schedule that work based on and subject to applicable legal requirements and/or guidance regarding worksite safety conditions.

Fees and Payment Terms

Our fee for this engagement, subject to the terms and conditions of the accompanying Professional Services Agreement, will range from \$XXXX – XXXX and is based on an estimate of 10-20 hours. If there are additional bank and investment accounts which result in more than a total of 20 hours, we will bill the additional time at \$XXX per hour.

Our fee does not include additional services that may be required as a result of issues related to the Coronavirus pandemic, including accounting and disclosure matters, or those caused by delays in engagement timing or procedures. In the event any of these issues arise, we will discuss additional fee estimates with you.

If you are in agreement 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,

FIRM

Agreed and Accepted

We accept this engagement letter, including its Attachment, and the accompanying Professional Services Agreement, which set forth the entire agreement between SAMPLE

LSC and FIRM with respect to the services specified in the Scope of Services section of this engagement letter.

SAMPLE LSC

LSC REPRESENTATIVE

Date

Title

SAMPLE

Attachment A

PROCEDURES TO BE PERFORMED

We will perform the following agreed-upon procedures to LSC financial reports:

1. Obtain USA Swimming provided "Agreed Upon Procedures Inquiry Checklist" completed by LSC Representative. Attach completed checklist to this report.
2. Prepare a year over year comparison of the balance sheet financial statement line items. For any variances over 10 percent, inquire of LSC representative the reason for the variance. Attach LSC representative's explanation for such variances to this report.
3. Prepare a year over year and actual to budget comparison for income statement line items. For any variances over 10 percent, inquire of LSC representative for the reason for the variance. Attach LSC representative's explanation for such variances to this report.
4. Obtain from LSC representative a list of all vendor invoices paid during the fiscal year. Randomly select 10 vendor invoices and obtain invoice and cancelled check. Agree amount and payee per invoice to canceled check. Inspect invoice for signature or initials indicating approval for payment. Report any differences in amount, payee, or any invoices missing evidence of approval.
5. Obtain bank and investment reconciliations as of year-end. Agree bank/investment balance per reconciliation to bank/investment statement. Agree book balance per reconciliation to the general ledger balance at year end as provided by management. Note whether there are any unreconciled differences per the reconciliation.
6. Obtain list of cash disbursements by vendor for the fiscal year from LSC representative. For each vendor paid more than \$600 for the fiscal year per the list, obtain copy of the vendor's 1099s. Note vendors paid over the \$600 threshold for which a 1099 is not available.
7. If LSC pays wages, obtain reconciliation of IRS Form 941 to general ledger as of 12/31 prepared by LSC representative. Obtain listing of amounts paid for the calendar year by employee. Obtain copies of W-2s issued for the year. For each employee per the listing who was paid over \$600, agree employee name and amount paid per the listing to the W-2. Note any exceptions.
8. Obtain and attach most recently filed 990.
9. Obtain and attach year-end internally prepared financial statements.