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April 24, 2018

Memo

To: The Plans' Management Board

From: Maria Hurd

Re: Fee for Additional Engagement to Meet SEC Requirements

As requested by the Office of the State Treasurer (OST), I am writing this memo to respectfully request an additional payment for the completion of the audits of the financial statement for each of the 36 portfolios offered by the Delaware College Investment Plan (DCIP), as required by the SEC. Auditing the financial statements for each of the 36 portfolios by 120 days after the plan's year end was an unexpected engagement that was not included in the contract to audit the DCIP trust, which was scheduled to start in May. Upon learning of the SEC requirement and deadline, BL&S expeditiously endeavored to complete the 36 required audits within the compressed period, mostly with supervisory and management personnel.

Although I am proud to have served the State of Delaware, the time charges for the unexpected audits amount to approximately \$90,000. Although BL&S doesn't normally discount services during the tax season compression period, we have always done the State work at discounted rates, and request \$55,000 for the procedures performed to complete the portfolio financial statement audits. The requested discounted fee excludes time spent that will also serve as procedures performed at the trust level and audit setup time.

As the original contract required, we are available to complete the trust audit beginning in May. The fee for the trust audit originally provided in the contract would remain the same, since the portfolio audits constitute investment company audits that do not take into consideration the financial activity at the account holder level.

I sincerely appreciate the support and participation of the personnel at the OST throughout this process and thank the Board in advance for its consideration of this request.

Sincerely,

Maria T. Hurd, CPA