

VERSION 1.0

January 14, 2025



BOARD OF DIRECTORS MEETING

January 14, 2025

SUPERSTITION FIRE & MEDICAL DISTRICT BOARD

KATHLEEN CHAMBERLAIN, BOARD CHAIRMAN

CONNIE VAN DRIEL, BOARD CLERK

JEFF CROSS, BOARD DIRECTOR

JASON MOELLER, BOARD DIRECTOR

SHAWN KURIAN, BOARD DIRECTOR



Superstition Fire & Medical District

Serving the Communities of Apache Junction and Gold Canyon since 1955

Phone | (480) 982-4440

Website | sfmd.az.gov

BOARD OF DIRECTORS MEETING AGENDA FOR JANUARY 14, 2025

Dial in Phone Number: 1-689-206-0397

Phone Conference ID: 575 587 553#

The Board will convene on Tuesday, January 14, 2025, at the Superstition Fire & Medical District's Administrative Office, located at 565 N. Idaho Road, Apache Junction, Arizona. The meeting room will open to the public at 5:00 p.m., with the meeting commencing at 5:30 p.m. local time.

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call

The following agenda items are scheduled for discussion at the board meeting. The Governing Board may or may not decide to take action on any or all items. The order of the agenda items may or may not be taken in the order listed.

- 1. Review and approval of the December 2024 financial reports and bank reconciliations.**
- 2. Recognition of employee performance, achievements, and special recognition for community members.**

3. Call to the Public.

A.R.S. §38-431.01(H) A public body may make an open call to the public during a public meeting, subject to reasonable time, place, and manner restrictions, to all individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

4. Consideration and possible approval of all consent agenda items listed below:

- A. Board Meeting Minutes from December 18, 2024
- B. Board Meeting Minutes Executive Session from December 18, 2024.
- C. Photography Agreement
- D. Single Audit

5. Presentation and Discussion regarding the timeline and project for Fire Station 266.

6. Discussion and possible approval for selecting and implementing a Community Advisory Committee.

Administration Office
565 North Idaho Road
Apache Junction, AZ 85119

Regional Training Center
3700 East 16th Avenue
Apache Junction, AZ 85119

Fleet Services
1455 East 18th Avenue
Apache Junction, AZ 85119

7. Discussion and possible approval to enter into an agreement with HighGround, Inc. Public Affairs Consultants.

8. Reports.

Senior Leadership Team (SLT):

Fire Chief John Whitney

Assistant Chief Brian Read

Transportation Services Director Billy Warren

Assistant Chief Richard Mooney

Administrative Services Director Anna Butel

James Vincent Group

President Colt Weddell

9. New Business / Future Agenda Items.

10. Announcements and Document Signing.

11. Adjourn

NOTICE: The Governing Board may go into executive session for the purpose of obtaining legal advice from the Fire District's attorney(s) on any of the above agenda items pursuant to A.R.S. 38-431.03(A)(3).

One or more members of the Governing Board may attend the meeting telephonically.

Governing Board meeting agenda dated and posted (at least 24-hours before the scheduled meeting date and time).

Posted on: January 13, 2025

At: 1500 Hours

By: Shelley Aspbury

The Superstition Fire & Medical District (SFMD) Administrative Office Board Meeting Room is accessible to the handicapped. In compliance with the American with Disabilities Act (ADA), those with special needs, such as large-type face print or other reasonable accommodations may request those through the SFMD Administration Office (480-982-4440) at least 24-hours before the Board Meeting.

Governing Board Meeting – January 14, 2025

Agenda Item: 1

Agenda Item Title

Review and approval of the December 2024 financial reports and bank reconciliations.

Submitted By

James Vincent Group

Background/Discussion

The James Vincent Group prepares the monthly financial reports. The District's annual budget, which is adopted by the Board each June for the following fiscal year (July 1 – June 30), is formatted to mirror the monthly financial statements. The financial reports provide the Board with a monthly recap of expenditures and revenues, along with year-to-date account balance information.

In compliance with A.R.S. §48-807(O), the following reports have been added to the monthly financial statements packet:

1. Cash Flow – All Governmental Funds.
 - a. The Cash Flow report consists of the combined cash balances of all District Funds. These balances include the General (100), Transport Services (150), Capital Projects (200), Special Revenue (400), Debt Principal (500), Debt Interest (600) and Certificates of Participation (700) Funds. The Cash Flow report is updated monthly with the actual revenues deposited into and actual expenditures disbursed from the District's cash accounts. It is important to note the revenues and expenditures are reported on a Cash Basis. This report is generated to demonstrate that the fire District maintains sufficient cash available to satisfy the projected expenditures budgeted over the course of the fiscal year.

2. Fund Account Bank Reconciliations.

The reconciliation of each of the District's Fund Cash Accounts (General (100), Transport Services (150), Capital Projects (200), Special Revenue (400), Debt Principal (500), and Debt Interest (600) Funds) between the Pinal County Treasurer's monthly bank statement and the District's Fund balance sheet report is provided. To signify Board approval of the monthly financial statements and bank reconciliations, the Board Chairman is requested to sign the attached Letter of Acceptance which will be kept on file at the District.

Financial Impact(s)/Budget Line Item

N/A

Enclosure(s)

*Monthly Financials provided under separate cover

Recommended Motion

"Motion to approve the December 2024 financial reports and bank reconciliations."



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Superstition Fire & Medical District
Governing Board Acceptance of Fire District's
Financial Statements and Bank Reconciliations

Pursuant to A.R.S. §48-807, by the signature(s) below, the Governing Board of the Superstition Fire & Medical District attests to the review and approval of the following financial report(s) of the fire district for the month of **December 2024**:

1. Financial Statement
2. Bank Reconciliations
 - a. General (100) Fund
 - b. Transport Services (150) Fund
 - c. Capital Projects (200) Fund
 - d. Special Projects (400) Fund
 - e. Debt Principle (500) Fund
 - f. Debt Interest (600) Fund
 - g. Certificates of Participation (700) Fund

Kathleen Chamberlain, Board Chair

Date



January 2025

Governing Board Meeting – January 14, 2025

Agenda Item: 2

Agenda Item Title

Recognition of employee performance, achievements, and special recognition for community members.

Submitted By

Fire Chief John Whitney

Assistant Chief Brian Read

Assistant Chief Richard Mooney

Background/Discussion

This is a recurring monthly item to provide the Board with information concerning superior employee performance, achievements, and special recognition for community members.

January Service Anniversaries

36 Years of Service:

John Christensen, Engineer

22 Years of Service:

Chuck Hanson, Engineer/Paramedic

3 Years of Service:

Miki Klemesrud, Administrative Specialist AP/AR

2 Years of Service:

Andrew Hayes, EMT

1 Year of Service:

Frank Garduno, EMT

Gabe Weaver, Paramedic

Greg Scerbo, Firefighter

Nick Pyles, Firefighter



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Governing Board Meeting – January 14, 2025

Agenda Item: 3

Agenda Item Title

Call to the Public

A.R.S. §38-431.01(H)

A public body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body.

At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda.

However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

Background / Discussion

Call to the Public is provided so citizens may address the public body (Governing Board) with matters concerning the fire district. Arizona public meeting law provides that the public body may discuss, consider, or decide only matters listed on the agenda and other matters related thereto. Since the public body will generally not know what specific matters may be raised at call to the public, they will be unable to act until the matter is placed on a subsequent meeting agenda (at the Board’s discretion). The Board may also direct staff to follow up on the issue with the citizen.

Scheduled

None



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Governing Board Meeting – January 14, 2025

Agenda Item: 4

Agenda Item Title

Consideration and possible approval of all consent agenda items as listed below:

- A. Board Meeting Minutes from December 18, 2024 – **Appendix A**
- B. Board Meeting Executive Session Minutes December 18, 2024 - **Appendix B**
- C. Photography Agreement - **Appendix C**
- D. Single Audit – **Appendix D**

Background/Discussion

The consent agenda allows the Board of Directors (BOD) to consider contracts, purchases, and other routine administrative matters having authorized funding within the current fiscal year budget as a single decision. Items may be withdrawn from the consent agenda and discussed separately upon request by any member of the BOD or staff. Information for each consent agenda item and corresponding supporting document is within the packet.

Recommended Motion

“Motion to approve the consent agenda items January 14, 2025.”



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Governing Board Meeting – January 14, 2025

Agenda Item: 5

Agenda Item Title

Presentation and Discussion regarding the timeline and project for Fire Station 266.

Submitted By

John Whitney, Fire Chief

Background/Discussion

The discussion aims to provide a high-level overview, timeline, and framework for Fire Station 266.

Financial Impact(s)/Budget Line Item

n/a

Enclosure(s)

n/a



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Governing Board Meeting – January 14, 2025

Agenda Item: 6

Agenda Item Title

Discussion and possible approval for selecting and implementing a Community Advisory Committee.

Submitted By

John Whitney, Fire Chief

Anna Butel, Administrative Services Director

Background/Discussion

SFMD could benefit significantly by establishing a community advisory committee for bond efforts. Such a committee serves as a bridge between the fire district and the community, ensuring transparent and open communication. It enables residents to voice their concerns, provide feedback, and stay informed about how bond funds will be allocated and utilized. Additionally, the committee can help build trust and foster a sense of ownership among community members as they become active participants in the decision-making process. By involving the community, we can better address local needs and priorities, ultimately leading to more effective and widely supported bond initiatives.

Financial Impact(s)/Budget Line Item

n/a

Enclosure(s)

n/a

Recommended Motion

“Motion to select and implement a Community Advisory Committee”



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Governing Board Meeting – January 14, 2025

Agenda Item: 6

Agenda Item Title

Discussion and possible approval for selecting and implementing a Community Advisory Committee.

Submitted By

John Whitney, Fire Chief

Anna Butel, Administrative Services Director

Background/Discussion

SFMD could benefit significantly by establishing a community advisory committee for bond efforts. Such a committee serves as a bridge between the fire district and the community, ensuring transparent and open communication. It enables residents to voice their concerns, provide feedback, and stay informed about how bond funds will be allocated and utilized. Additionally, the committee can help build trust and foster a sense of ownership among community members as they become active participants in the decision-making process. By involving the community, we can better address local needs and priorities, ultimately leading to more effective and widely supported bond initiatives.

Financial Impact(s)/Budget Line Item

n/a

Enclosure(s)

n/a

Recommended Motion

“Motion to select and implement a Community Advisory Committee”



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Governing Board Meeting – January 14, 2025

Agenda Item: 7

Agenda Item Title

Discussion and possible approval to enter into an agreement with HighGround, Inc. Public Affairs Consultants.

Submitted By

John Whitney, Fire Chief

Anna Butel, Administrative Services Director

Background/Discussion

HighGround Inc. is a public affairs consultancy specializing in election services. Their team crafts strategic plans, timelines, and deliverables to ensure smooth election planning and keep the public informed, especially during bond efforts.

In collaboration with SFMD staff, they will develop a messaging and communications plan that assists with the following;

- An outlined plan for strategic communications
- Implement a media editorial calendar that includes op-ed submissions, media events, and community-based messaging.
- Develop social media plans and related content
- Conduct speaker training and develop materials focused on message discipline
- Polling to identify priorities by demographic area
- Test perception of the District and the direction of public safety
- Test awareness of public safety needs, funding options, and general impressions regarding positive/negative reception, community satisfaction, and service.

This proposal, which is under state contract, is submitted to IGPA for RFP# 22-06PV. Staff recommends the approval of the HighGround proposal.

Financial Impact(s)/Budget Line Item

\$25,000.00

Enclosure(s)

n/a

Recommended Motion

“Motion to approve the Highground Inc agreement.”



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Governing Board Meeting – January 14, 2025

Agenda Item: 8

Agenda Item Title

Reports

Background / Discussion

This item is for the fire chief and his staff to share information with the Board of items occurring within, or related to, the fire district. Any item shared is for information only. Upon request of the Board, any item shared during this agenda item may be moved to the agenda for future meetings. Board discussion, other than clarifying questions, cannot occur and no action, position, or direction may occur until the specific item is placed on the agenda.

- **Senior Leadership Team**
- **Labor**

Recommended Motion:

N/A



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Governing Board Meeting – January 14, 2025

Agenda Item: 9

Agenda Item Title

New Business / Future Agenda Items

Financial Impact

N/A

Enclosure(s)

N/A

Recommended Motion:

"TBD"



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Governing Board Meeting – January 14, 2025

Agenda Item: 10

Agenda Item Title

Announcements and Document Signing

Background / Discussion

The BOD and staff may share and discuss items to be placed on future BOD agendas.

Recommended Motion:

N/A



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Governing Board Meeting – January 14, 2025

Agenda Item: 11

Agenda Item Title

Adjournment

Recommended Motion:

“Motion to adjourn the Board meeting.”



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Appendix A

A. Board Meeting Minutes from December 18, 2024.

Submitted By

Board Secretary Shelley Asbury

Background / Discussion

The board meeting minutes of the previous meeting(s) are provided for the BOD to approve. If the BOD would like to discuss the minutes, they may be removed from the consent agenda. After approval, minutes are signed by the Clerk of the Board and kept as the official public record.

Financial Impact/Budget Line Item

N/A

Enclosure(s)

December 18, 2024, Board Meeting Minutes





Superstition Fire & Medical District

Serving the Communities of Apache Junction and Gold Canyon since 1955

Phone | (480) 982-4440

Website | sfmd.az.gov

Governing Board Meeting Minutes

DECEMBER 18, 2024

PURSUANT TO A.R.S. §38.431.02, NOTICE IS HEREBY GIVEN TO THE GENERAL PUBLIC THAT THE SUPERSTITION FIRE & MEDICAL DISTRICT GOVERNING BOARD OF DIRECTORS HELD A MEETING ON WEDNESDAY, DECEMBER 18, 2024. THE MEETING WAS HELD AT THE SUPERSTITION FIRE & MEDICAL DISTRICT'S ADMINISTRATION OFFICE, 565 N. IDAHO ROAD, APACHE JUNCTION, ARIZONA.

[THIS MEETING WAS OPEN TO THE GENERAL PUBLIC AND BEGAN AT 5:30 PM.](#)

A. Call to Order

Chairman Chamberlain called the meeting to order at 5:30 PM.

B. Pledge of Allegiance

The Pledge of Allegiance led by Chief John Whitney.

C. Roll Call

Board Members in attendance were Chairman Kathleen Chamberlain, Clerk Connie Van Driel, Director Jeff Cross and Director Jason Moeller. Director Shawn Kurian was not in attendance.

Senior Leadership Team in attendance were Fire Chief John Whitney, Assistant Chief Brian Read, Assistant Chief Richard Mooney, Deputy Chief Dave Pohlmann, Battalion Chief Dan Elliot, Transportation Services Director Billy Warren, Administrative Services Director Anna Butel, Ben Archer with James Vincent Group. Also in attendance was Shelley Aspbury, Human Resources Specialist / Board Secretary. Attorney William Whittington also attended.

1. Review and approval of the November 2024 financial reports and bank reconciliations.

Motion by Director Connie Van Driel to approve the November 2024 financial reports and bank reconciliations.

Seconded by Director Jeff Cross

Vote 4 ayes, 0 nays, MOTION PASSED.

Administration Office
565 North Idaho Road
Apache Junction, AZ 85119

Regional Training Center
3700 East 16th Avenue
Apache Junction, AZ 85119

Fleet Services
1455 East 18th Avenue
Apache Junction, AZ 85119

2. Recognition of employee performance, achievements, and special recognition for community members.

December Anniversaries

- 12 Years of Service** Mechanic II George Nasello
- 4 years of Service** Firefighter/Paramedic Steven Schaecken
- 4 years of Service** Paramedic Bradley Powers
- 3 years of Service** Assistant Chief Brian Read

Presentation of artwork, Heaven & Hell, from local artist Timm Chapman, donated to SFMD.

3. Call to the Public.

None

4. Consideration and possible approval of all consent agenda items listed below:

- A. Board Meeting Minutes from November 20, 2024
- B. MVR Batch Request Agreement
- C. Transfer of funds for the January 1, 2025, Chase Refinancing Bond debt service interest payment
- D. Transfer of funds for the January 2, 2025, Certificate of Participation (COP) Bond debt service interest payment
- E. Purchase of New CF-33 MCTs
- F. Renaissance Festival Contract for Fire and Medical Services 2025
- G. 7710 Worker's Comp Renewal 2025
- H. Communications Site Lease Agreement w/EIP Holdings II, LLC
- I. Operative IQ Rebate
- J. ASU Placement Agreement

Motion by Director Jason Moeller to approve all consent agenda items for December 18, 2024.

Seconded by Director Jeff Cross

Vote 4 ayes, 0 nays, MOTION PASSED

5. Discussion and possible approval regarding Policy 804: HIPPA & Transportation Billing Compliance.

Motion by Clerk, Connie Van Driel to adopt Policy 804: HIPPA & Transportation Billing Compliance for December 18, 2024.

Seconded by Director Jeff Cross

Vote 4 ayes, 0 nays, MOTION PASSED

6. Reports.

Senior Leadership Team (SLT):

Fire Chief Report

- All Staff and FC Forum
- Superstition Mountain Country Club HOA – Firewise renewal presentation
- Southwest Sustainability Innovation Engine – Long Duration Energy Storage Symposium
- EVIT Superintendent
- VFW Post 7968 Awards Ceremony
- AFDA Board meeting
- HonorHealth – Mtn Vista Meet & Greet
- FS266 financing discussion
- Avalon Elementary Christmas event @ FS263
- Pinal County Open House
- Pinal County Machu Picchu Meeting
- SFFC Pancake Breakfast @ FS264
- SFMD Family Day

Emergency Services

- Continued Professional Development Meetings
- Safety and Strategy: FDSOA’s Approach to Calculated Risk in Fire Service
- SFMD meet and greet with Honor Health Mountain Vista Leadership
- Internal Bed Delay Discussion
- PIO check-in
- SFMD Family Day
- Local 2260 Superstition Chapter’s Pancake Breakfast
- Avalon Kindergarten Christmas Carols at 263

Significant Incidents

1st Alarm Brush Assignment

12/07/2024 on NE Corner of US60 & Meridian

E261, T261, E263, M263, BR221, BR264, BR216, T262 U251, E213, E216, L264, BC202, BC261, CRV201, EDC

Crews responded to a brush fire at the US60 and Meridian. Crews spent the night working on containment and extinguishment. Despite access issues the crews achieved containment around 0600. Contained to 5 acres.

Structure Fire

12/09/2024 on N. Ocotillo

E261, E263, LT263, E262, BC261, BC202, E217, L291, M261

Exterior fire with minor extensions into the interior of the structure. Quick knockdown by fire crews. No FF or civilian injuries were reported. Red Cross requested for residents.

Working Fire

12/09/2024 on N. Delaware

E263, E262, E217, L219, BC261, BC202, M261, U208

Shed fire on the southeast corner of the residence, fire extended to the residence. Crews made an aggressive interior attack and gained fire control. Residents and dogs out safely. No FF injuries. 2 feline fatalities.

Commercial 1st Alarm Fire

12/16/2024 on S. Ironwood

E263, LT263, E217, E261, BC261, BC202, E212, E262, E265, L219, BC252, M262, CRV201, U251, EDC

Crews responded to a commercial fire with active water flow. Crews gained entry and located the fire, which was kept in check due to the fire sprinkler head activation. The fire did extend up the inside and exterior portion of the wall but was stopped before it got into the attic space. No reported FF or Civilian injuries.

Training

Annual Driver/Operator Continuing Education (CE):

- We are wrapping up the CE activities, including pump evaluation, cone course, and a review of the backing policy

Second Tactics/Strategy Workshop:

- Completion of the second workshop focused on tactics and strategy

Candidate Development Program:

- Meetings were held on December 11th and 14th

TRT Year-End Drill:

- Completion of the Technical Rescue Team (TRT) year-end drill, which included trench rescue and structural collapse scenarios

TRT Ops Training with MCSO:

- Collaboration with the Maricopa County Sheriff's Office for TRT operational training

EVIT Live Fire Training:

- Meeting with EVIT to discuss live fire training plans

Annual Tour of Mormon Flat Dam:

- Conducted with Station 262 A-Shift
- Renewal of the fire service agreement between SRP and SFMD

EMS

- Addressed the Functional AEMS Group about EleGARD
- Met with the new Honor Health Mountain Vista administration along with Dr. Casey Solem
- Met with Banner Baywood's new ED Director for winter planning
- Met with Banner Baywood administration and regional partners to address bed delay concerns
- Attended EMS ROCC Meeting
- Deployed the new AIRQ3 supraglottic airways to the frontline units
- Assisted in Captain promotional process for Scottsdale Fire
- ImageTrend EMS chart updates

Transportation Services

- ImageTrend EPCR State Posting Meeting
- Submitted AZDHS CON Renewal
- All Staff Meeting
- Met with Banner Baywood ER Director – Winter Plan
- EMS ROCC Meeting
- AEMS Fall Forum
- Honor Health Meet and Greet
- Fire Chief Forum
- ARCR Review meeting with JVG
- EMS and Law Enforcement Awards Luncheon – Banner Goldfield/Ironwood
- Met with Banner Baywood CEO
- AEMS Board of Governors Meeting
- AEMS Education Committee Meeting

Support Services

- Station 263 Tour w/ PS School for Adult Autism
- Pancake Breakfast Toy Drive at SM Golf & Country Club
- City of AJ Holiday Event at Flat Iron Park
- City of AJ Holiday Parade w/ Santa (L264)
- Avalon Kindergarten Christmas Carols at 263
- Delivered Santa to Boys & Girls Club
- Pinal County Open House
- Station 265 Private Holiday Outreach w/ HeadStart
- Radiance Amenity Center Open House
- Ladder 264 lead Montessa Golf Cart Parade
- Imagine Prep Hero's Honoring First Responders
- Special Events Meeting
- SFMD Family Day
- TRWC Meeting
- Valley Fire Marshals Meeting
- Apparatus Update

Administrative Services

- All Staff and Fire Chief Forum
- Weekly Administration Team Meetings
- Phoenix Solutions Meeting
- AFG Grant Application Submitted
- Confidentiality Agreements and Annual Driver's License Report (Per Policy 1042 Driver License Requirements)
- TSP Fit Testing and T-Spot complete
- UKG Telestaff User Meeting

7. **Possible vote to go into Executive Session** at 6:24 p.m. for personnel matters pursuant to A.R.S. § 38-431.03(A)(1) and legal advice pursuant to A.R.S. § 38-431.03(A)(3) and possible instructions to legal counsel pursuant to A.R.S. § 34-31.03(A)(4) re: Fire Chief John Whitney's Annual Evaluation.

Motion by Director Jeff Cross, to go into Executive Session for personnel matters pursuant to A.R.S. § 38-431.03(A)(1) and legal advice pursuant to A.R.S. § 38-431.03(A)(3) and possible instructions to legal counsel pursuant to A.R.S. § 34-31.03(A)(4) re: Fire Chief John Whitney's Annual Evaluation.

Seconded by Director Jason Moeller
Vote 4 ayes, 0 nays, MOTION PASSED.

8. Public Session. Discussion regarding the Fire Chief's Annual Evaluation.

Public Session reconvened at 7:47 p.m. Chairman Chamberlain stated that Chief Whitney has exceeded the Board's expectations and received a favorable Annual Evaluation. Director Cross, Moeller and Clerk, Van Driel, thanked Chief Whitney for his accomplishments and for continuing to build a great SFMD team.

9. New Business/Future Agenda Items

10. Announcement and Document Signing.

11. Adjourn

Motion by Clerk Connie Van Driel to adjourn the board meeting at 8:02 p.m.

Seconded by Director Jason Moeller.
Vote 4 ayes, 0 nays, MOTION PASSED.

Governing Board Approval:

Board Clerk Connie Van Driel

Appendix B

B. Executive Session Minutes from December 18, 2024

Submitted By

Board Secretary Shelley Asbury

Background / Discussion

Executive Meeting Minutes are not provided to the public

Financial Impact/Budget Line Item

N/A

Enclosure(s)

No Enclosures



Appendix C

A. Photography Agreement

Agenda Item Title

Photography Agreement

Submitted By

Anna Butel, Administrative Services Director

Background/Discussion

SFMD has several initiatives that require the use of media, including photos and videos. These projects include updating the website, strategic plan, and various social media posts. Having photos of current employees readily available helps SFMD produce high-quality marketing materials.

Staff recommends the approval of the photography agreement.

Financial Impact(s)/Budget Line Item

\$3,000.00

Enclosure(s)

Agreement

Recommended Motion

"Motion to approve the Photography Agreement"



Photography Agreement

This Agreement is made on January 14, 2025, by and between the Superstition Fire & Medical District (“SFMD”) and [Rayna Steffen] (“Photographer”).

1. Services: The Photographer agrees to provide professional photography services to capture approximately 150 photos of fire and EMS scenes as specified by the SFMD.

2. Scope of Work

- The Photographer will capture high-quality images of various fire and EMS scenes as directed by the SFMD.
- The images should include, but not be limited to, action shots, equipment, personnel in action, and any other relevant scenes requested by the SFMD.

3. Schedule

- The photography sessions will take place from January through March 2025 at various locations as agreed upon by both parties.
- The Photographer agrees to be available at the specified times and locations to complete the shoot.

4. Deliverables

- The Photographer will deliver approximately 150 edited high-resolution digital images and video.
- The final images will be delivered to the SFMD by April 2025.

5. Compensation

- The SFMD agrees to pay the Photographer a total fee of \$3,000.00.
- The fee will be paid upon delivery of the final images.

6. Usage

- The SFMD is granted a perpetual, non-exclusive license to use the images for promotional, educational, and operational purposes.

7. Confidentiality

- The Photographer agrees to maintain the confidentiality of all scenes and information observed during the shoot.

8. Liability

- The Photographer will take all necessary precautions to ensure safety during the shoot.
- The SFMD agrees to indemnify and hold the Photographer harmless from any claims arising from the photography sessions.

9. Conflict of Interest

- This Agreement is subject to cancellation under the conflict of provision of A.R.S. 38-511.

10. Governing Law This Agreement will be governed by and construed in accordance with the laws of the State of Arizona.

11. Entire Agreement This Agreement constitutes the entire understanding between the parties and supersedes all prior agreements, whether oral or written.

Signatures:

Governing Board Approval:

Photographer Approval:

Kathleen Chamberlain

Rayna Steffen

Date

Date

Appendix D

Agenda Item Title

Single Audit

Submitted By

John Whitney, Fire Chief

Anna Butel, Administrative Services Director

Background/Discussion

Single audits are required for federal funding to ensure accountability and transparency in the use of federal funds by non-federal entities. These audits provide a standardized and uniform process to review the financial statements and compliance of entities that expend \$1,000,000 or more in federal awards during their fiscal year. By conducting a single audit, federal awarding officials can obtain comprehensive information about the internal control structure, compliance, and financial operations of these entities. This helps to ensure that federal funds are used appropriately and that the programs are administered effectively. Additionally, it streamlines the audit process by allowing one audit to cover multiple federal awards, reducing the administrative burden on both the entities and the federal agencies.

The district has two separate sets of federal funds: the \$990,000 Pinal County award and \$498,000 from the Industrial Commission of Arizona.

Financial Impact(s)/Budget Line Item

\$5,000.00

Enclosure(s)

n/a



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January 9, 2025

Board of Directors and
Fire Chief, John Whitney
Superstition Fire & Medical District
John.Whitney@sfmd.az.gov

Thank you for using Baker Tilly US, LLP (Baker Tilly, we, our) as your auditors.

This letter covers the federal awards expended by the Superstition Fire and Medical District for the year ended June 30, 2024.

Services and Related Report

Previously, we have audited the financial statements of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

The District is also required to be audited according to the Single Audit Act Amendments of 1996, *Government Auditing Standards, Title 2 Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) which require a financial and compliance audit of the federal awards of the District for the year ended June 30, 2024.

We will also submit to you our report on the following supplementary information that will be subjected to the auditing procedures applied in our audit of the financial statements:

- > Schedule of expenditures of federal awards.

The Schedule of Expenditures of Federal Awards accompanying the financial statements will also be subject to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

Our report does not include reporting on key audit matters.

Our Responsibilities and Limitations

The objective of a financial audit is the expression of an opinion on the financial statements. We will be responsible for performing that audit in accordance with auditing standards generally accepted in the United States of America (GAAS). These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. A misstatement is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user based on the financial statements.

The objective also includes reporting on:

- > Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.
- > Internal control related to major federal program and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on the program in accordance with the Single Audit Act Amendments of 1996 and Title 2 *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (i) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (ii) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will be responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports.

As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

- > Identify and assess the risks of material misstatement of the financial statements and supplementary information, whether due to fraud or error, 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. 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.
- > Obtain an understanding of internal control relevant to the audit 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 entity'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 and supplementary information 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 and supplementary information, including the disclosures, and whether the financial statements and supplementary information 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 entity'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 controls, 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 *Government Auditing Standards*.

Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting waste or abuse. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of expenditures of federal awards, assessing accounting principles used and significant estimates made by management, and evaluating the overall schedule of expenditures of federal awards presentation. Our audit does not relieve management or those charged with governance of their responsibilities. Our audit is limited to the period covered by our audit and does not extend to any later periods during which we are not engaged as auditor.

The audit will include obtaining an understanding of the District and its environment, including internal controls, sufficient to assess the risks of material misstatement of the schedule of expenditures of federal awards and to determine the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management or those charged with governance internal control matters that are required to be communicated under professional standards. We will also inform you of any other matters involving internal control, if any, as required by *Government Auditing Standards* and the Uniform Guidance.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program.

However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control over compliance issued pursuant to the Uniform Guidance.

Also, if required by *Government Auditing Standards*, we will report known or likely fraud, illegal acts, violations or provisions of contracts or grant agreements, or abuse directly to parties outside of the District.

As part of obtaining reasonable assurance about whether the schedule of expenditures of federal awards are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether you have complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. The purpose of those procedures will be to express an opinion on your compliance with requirements applicable to each of your major programs in our report on compliance issued pursuant to the Uniform Guidance.

We are also responsible for determining that those charged with governance are informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS, *Government Auditing Standards* and Uniform Guidance, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of your significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to your schedule of expenditures of federal awards or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts, and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that those charged with governance receive copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

The audit will not be planned or conducted in contemplation of reliance of any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be addressed differently by a third party, possibly in connection with a specific transaction.

Management's Responsibilities

Our audit will be conducted on the basis that the District's management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- For identifying all federal awards received and understanding and complying with the compliance requirements;
- For the preparation and fair presentation of the financial statements and supplementary information in accordance accounting principles generally accepted in the United States of America;
- For the design, implementation, establishment, and maintenance of effective internal controls relevant to the preparation and fair presentation of financial statements and supplementary information that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; and
- For the design, implementation, and maintenance of effective internal controls over compliance that provides reasonable assurance that the District administers federal awards in compliance with the compliance requirements; and
- To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements and supplementary information such as records, documentation, and other matters;
 - Additional information that we may request from management for the purpose of the audit; and
 - Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence

Management is responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations contracts or grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review before we begin fieldwork.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed above. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You are responsible for preparation of the schedule of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance (b) that you believe the schedule of expenditures of federal awards including its form and content, is fairly presented in accordance with the Uniform Guidance (c) that the methods of measurement or presentation have not changed from those used in the prior year (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of federal awards.

Management is responsible for (i) adjusting the schedule of expenditures of federal awards to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the schedule of expenditures of federal awards taken as a whole, and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that the District complies with the laws and regulations applicable to its activities.

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.

Management is responsible for informing us on a timely basis of the name of any single investor in you that owns 20% or more of your equity at any point in time. Management is also responsible for informing us on a timely basis of any investments held by you which constitutes 20% or more of the equity/capital of the investee entity at any point in time.

Nonattest Services

Prior to or as part of our audit engagement, it may be necessary for either Baker Tilly US, LLP or Baker Tilly Advisory Group, LP to perform certain nonattest services. For purposes of this letter, nonattest services include services that *Government Auditing Standards* refers to as nonaudit services.

Nonattest services that we or Baker Tilly Advisory Group, LP will be providing are as follows:

- > Data entry of the auditee section of the data collection form

None of these nonattest services constitute an audit under generally accepted auditing standards including *Government Auditing Standards*.

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with Baker Tilly US, LLP's or Baker Tilly Advisory Group, LP's performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge and/or experience, preferably within senior management, to oversee the services performed.

- > Evaluate the adequacy and results of the nonattest services performed.
- > Accept responsibility for the results of the nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

Other Documents

The District may wish to include our report on these financial statements and supplementary information in a securities offering. You agree that the aforementioned audit report, or reference to Baker Tilly will not be included in such offering without our prior written permission or consent. Any agreement to perform work in connection with an offering, including an agreement to provide permission or consent, will be a separate agreement.

At the conclusion of our engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior year audit findings, auditors' reports and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include within the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty (30) days after receipt of the auditors' reports or nine (9) months after the end of the audit period.

We will provide copies of our reports to the District, however, management is responsible for distribution of the reports and the financial statements. Copies of our reports are to be made available for public inspection unless restricted by law or regulation or if they contain privileged and confidential information.

The documentation for this engagement, including the workpapers, is the property of Baker Tilly and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal or state agencies for purposes of a quality review of the audit, to resolve audit findings or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Baker Tilly personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. Baker Tilly does not retain any original client records; so we will return such records to you at the completion of the services rendered under this engagement. When such records are returned to you, it is the District's responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention period, Baker Tilly shall be free to destroy our workpapers related to this engagement. If we are required by law, regulation or professional standards to make certain documentation available to regulators, the District hereby authorizes us to do so.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our most recent peer review report accompanies this letter.

Resolution of Disagreements

In the unlikely event that differences concerning services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation.

If mediation does not settle the dispute or claim, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from Judicate West, AAA, Judicial Arbitration & Mediation Services (JAMS), the Center for Public Resources or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within fifteen (15) days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with the Engagement Letter or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrator(s) upon a showing of substantial need. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any dispute heard in a court of law before a judge and a jury, as well as any appeal. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrator(s) shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Engagement Letter, and shall have no power to decide the dispute in any manner not consistent with such limitations period. The arbitrator(s) shall be empowered to interpret the applicable statutes of limitations.

Our services shall be evaluated solely on our substantial conformance with the terms expressly set forth herein, including all applicable professional standards. Any claim of nonconformance must be clearly and convincingly shown.

Limitation on Damages and Indemnification

The liability (including attorney's fees and all other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Engagement Letter shall not exceed the fees paid to Baker Tilly for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter even if the other party has been advised of the possibility of such damages.

As Baker Tilly is performing the services solely for your benefit, you will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorney's fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the services, or this Engagement Letter.

Because of the importance of the information that you provide to Baker Tilly with respect to Baker Tilly's ability to perform the services, you hereby release Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the services, that arise from or relate to any information, including representations by management, provided by you, the District personnel or agents, that is not complete, accurate or current, whether or not management knew or should have known that such information was not complete, accurate or current.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim or any other statutes of limitations or repose.

Timing and Fees

Our professional fees for these services will be \$5,000 per major program.

In addition to professional fees, our invoices will include travel and subsistence, and other out-of-pocket expenses related to the engagement.

Invoicing for services will be issued in three installments; the first upon commencement of engagement planning/preliminary fieldwork, the second upon commencement of year-end fieldwork, and the third upon delivery of the audit report. Fees are payable upon presentation. Fees are payable upon presentation. A charge of 1.5 percent per month shall be imposed on accounts not paid within thirty (30) days of receipt of our statement for services provided. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notice of termination, even if we have not completed our report. The District will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. In the event that collection procedures are required, the District agrees to be responsible for all expenses of collection including related attorneys' fees.

Our fee estimate is based on certain assumptions. Certain circumstances may arise during the course of our audit that could significantly affect the targeted completion date or our fee estimate, and additional fees may be necessary as a result. Such circumstances include but are not limited to the following:

- Changes to the timing of the engagement initiated by the District, which may require the reassignment of our personnel.
- The District's failure to provide all information requested by us (i) on the date requested, (ii) in the form acceptable to us, (iii) with no mathematical errors, and (iv) in agreement with the appropriate District records.
- Significant delays in responding to inquiries made of District personnel, or significant changes in District accounting policies or practices, or in the District's accounting personnel, their responsibilities, or their availability.
- Significant delays or errors in the draft financial statements and necessary schedules prepared by the District's personnel.
- Implementation of new general ledger software or a new chart of accounts by the District.
- Significant changes in the District's business operations, including business combinations, the creation of new entities, divisions, or subsidiaries within the District, significant new employment or equity agreements, or significant subsequent events. Certain business transactions or changes in business operations or conditions, financial reporting, and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists.
- New financing arrangements or modifications to existing financing arrangements, or significant new federal or state funding.
- Significant deficiencies or material weaknesses in the design or operating effectiveness of the District's internal control over financial reporting identified during the audit.
- A significant level of proposed audit adjustments.
- Issuance of additional accounting or auditing standards subsequent to or effective for the periods covered by this Engagement Letter.
- Circumstances beyond our control.

For new business transactions or changes in business operations or conditions, financial reporting and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists.

This includes matters such as business combinations, impairment evaluations, and going concern evaluation, among other potential needs for specialists. The time and cost of such services are not included in the fee estimate provided.

Revisions to the scope of our work will be communicated to you and may be set forth in the form of an "Amendment to Existing Engagement Letter." In addition, if we discover compliance issues that require us to perform additional procedures and/or provide assistance with these matters, fees at our standard hourly rates apply.

No significant SAS's are outstanding.

Baker Tilly's fees are exclusive of any federal, national, regional, state, provincial or local taxes, including any VAT or other withholdings, imposed on this transaction, the fees, or on Client's use of the Services or possession of the Deliverable (individually or collectively, the Taxes). All applicable Taxes shall be paid by Client without deduction from any fees owed by Client to Baker Tilly. In the event Client fails to pay any Taxes when due, Client shall defend, indemnify, and hold harmless Baker Tilly, its officers, agents, employees and consultants from and against any and all fines, penalties, damages, costs (including, but not limited to, claims, liabilities or losses arising from or related to such failure by Client) and will pay any and all damages, as well as all costs, including, but not limited to, mediation and arbitration fees and expenses as well as attorneys' fees, associated with Client's breach of this section.

We may use temporary contract staff to perform certain tasks on your engagement and will bill for that time at the rate that corresponds to Baker Tilly staff providing a similar level of service. Upon request, we will be happy to provide details on training, supervision and billing arrangements we use in connection with these professionals. Additionally, we may from time to time, and depending on the circumstances, use service providers (e.g., to act as a specialist or audit an element of the financial statements) in serving your account. We may share confidential information about you with these contract staff and service providers, but remain committed to maintaining the confidentiality and security of your information.

Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all contract staff and service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the contract staff or third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such contract staff or third-party service providers.

To the extent the Services require Baker Tilly to receive personal data or personal information from Client, Baker Tilly may process, and engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws. Baker Tilly's processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Client, such as Baker Tilly's tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which Baker Tilly or its Clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. Baker Tilly is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Client personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Client, Baker Tilly shall, unless otherwise permitted by applicable privacy law, (a) follow Client instructions; (b) not sell personal data or personal information collected from the Client or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Client's engagement and not for Baker Tilly's own commercial purposes; and (d) cooperate with and provide reasonable assistance to Client to ensure compliance with applicable privacy laws. Client is responsible for notifying Baker Tilly of any applicable privacy laws the personal data or personal information provided to Baker Tilly is subject to, and Client represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize Baker Tilly to process such information in connection with the Services described herein. Client further understands Baker Tilly US, LLP and Baker Tilly Advisory Group, LP will co-process Client data as necessary to perform the Services, pursuant to the alternative practice structure in place between the two entities.

Baker Tilly Advisory Group, LP maintains custody of client files for both entities. By executing this Engagement Letter, you hereby consent to the transfer to Baker Tilly Advisory Group, LP of all your Client files, workpapers and work product. Baker Tilly Advisory Group, LP is bound by the same confidentiality obligations as Baker Tilly US, LLP. Baker Tilly is responsible for notifying Client if Baker Tilly becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Client to take reasonable and appropriate steps to remediate personal data or personal information processing. Client agrees that Baker Tilly has the right to utilize Client data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Client to be used for Baker Tilly business purposes and with the outputs owned by Baker Tilly. For clarity, Baker Tilly will only disclose aggregated/de-identified data in a form that does not identify Client, Client employees, or any other individual or business entity and that is stripped of all persistent identifiers. Client is not responsible for Baker Tilly's use of aggregated/de-identified data.

Baker Tilly has established information security related operational requirements that support the achievement of our information security commitments, relevant information security related laws and regulations, and other information security related system requirements. Such requirements are communicated in Baker Tilly's policies and procedures, system design documentation and contracts with customers. Information security policies have been implemented that define our approach to how systems and data are protected. Client is responsible for providing timely written notification to Baker Tilly of any additions, changes or removals of access for Client personnel to Baker Tilly provided systems or applications. If Client becomes aware of any known or suspected information security or privacy related incidents or breaches related to this agreement, Client should timely notify Baker Tilly via email at dataprotectionofficer@bakertilly.com.

Additionally, we may from time to time, and depending on the circumstances, use service providers (e.g., to act as a specialist or audit an element of the financial statements) in serving your account. We may share confidential information about you with these service providers, but are committed to maintaining the confidentiality and security of your information.

Any additional services that may be requested and we agree to provide will be the subject of a separate engagement letter.

We may be required to disclose confidential information to federal, state and international regulatory bodies or a court in criminal or other civil litigation. In the event that we receive a request from a third party (including a subpoena, summons or discovery demand in litigation) calling for the production of information, we will promptly notify the District, unless otherwise prohibited. In the event we are requested by the District or required by government regulation, subpoena or other legal process to produce our engagement working papers or our personnel as witnesses with respect to services rendered to the District, so long as we are not a party to the proceeding in which the information is sought, we may seek reimbursement for our professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

We may be required to disclose confidential information with respect to complying with certain professional obligations, such as peer review programs. All participants in such peer review programs are bound by the same confidentiality requirements as Baker Tilly and its employees. Baker Tilly will not be required to notify the District if disclosure of confidential information is necessary for peer review purposes.

We would expect to continue to perform our services under the arrangements discussed above from year to year, unless for some reason you or we find that some change is necessary. We will, of course be happy to provide the District with any other services you may find necessary or desirable.

Other Matters

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

Our dedication to client service is carried out through our employees who are integral in meeting this objective. In recognition of the importance of our employees, it is hereby agreed that the District will not solicit our employees for employment or enter into an independent contractor arrangement with any individual who is or was an employee of Baker Tilly for a period of twelve (12) months following the date of the conclusion of this engagement. If the District violates this nonsolicitation clause, the District agrees to pay to Baker Tilly a fee equal to the hired person's annual salary at the time of the violation so as to reimburse Baker Tilly for the costs of hiring and training a replacement.

The services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms.

Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP, trading as Baker Tilly, are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

This Engagement Letter and any applicable online terms and conditions or terms of use ("Online Terms") related to online products or services made available to District by Baker Tilly ("Online Offering") constitute the entire agreement between the District and Baker Tilly regarding the services described in this Engagement Letter and supersedes and incorporates all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. For clarity and avoidance of doubt, the terms of this Engagement Letter govern Baker Tilly's provision of the services described herein, and the Online Terms govern District's use of the Online Offering. This Engagement Letter's provisions shall not be deemed modified or amended by the conduct of the parties.

The provisions of this Engagement Letter, which expressly or by implication are intended to survive its termination or expiration, will survive and continue to bind both parties, including any successors or assignees. If any provision of this Engagement Letter is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but if the remainder of this Engagement Letter shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the extent permitted by law or applicable professional standards.

If because of a change in the District's status or due to any other reason, any provision in this Engagement Letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, commissions or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

This agreement shall be governed by and construed in accordance with the laws of the state of Illinois, without giving effect to the provisions relating to conflict of laws.

We appreciate the opportunity to be of service to you.

If there are any questions regarding the Engagement Letter, please contact Brian Hemmerle, the professional on this engagement who is responsible for the overall supervision and review of the engagement and for determining that the engagement has been completed in accordance with professional standards. Brian Hemmerle is available at 480 839 4900, or at Brian.Hemmerle@bakertilly.com.

Sincerely,



BAKER TILLY US, LLP

The services and terms as set forth in this Engagement Letter are agreed to by:

Signature

Title

Date



Report on the Firm's System of Quality Control

November 14, 2024

To the Partners of Baker Tilly US, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly US, LLP (the Firm) applicable to engagements not subject to Public Company Accounting Oversight Board (PCAOB) permanent inspection in effect for the year ended March 31, 2024. 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. The summary also includes an explanation of how engagements identified as not performed or reported on 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 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, audits 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 Baker Tilly US, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2024, 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*. Baker Tilly US, LLP has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP
Minneapolis, Minnesota