City of Biddeford
Finance Committee

September 2, 2025 at 5:00 PM
City Hall Council Chambers & Zoom

Click to Join Zoom Meeting Online
Or call in by phone: +1 312 626 6799
Meeting ID: 990 6011 8729
Passcode: 586474

1. Call to Order
2. Approval of Minutes
   - 2.a Finance Committee Minutes 20150819
3. Signing of the Expenditure Warrant
4. Discussion/Approval
   - 4.a Approval of Funds for Paving-Playground Project, J. Richard Martin Community Center
   - 4.b Bid Approval—Lead Hazard Reduction at 41 Granite St
   - 4.c Bid Approval—Lead Hazard Reduction at 146 Cleaves St
   - 4.d Approval -Change Order- J. Richard Martin Community Playground Project
5. Other Business
   - 5.a Engagement Letter
6. Adjourn

City of Biddeford
Finance Committee
August 19, 2025 5:00 PM Council Chambers & Zoom

Councilor Beaupre: Present
Councilor Lessard: Excused
Councilor LaFountain: Present
Grohman: Present

Introduction of City Manager Truc Dever.

1. Call to order

2. Approval of the Minutes

No minutes. Will add to next

3. Signing of the expenditure warrant

None

4. Discussion/Approval

4.a Approval / Security Upgrades for Community Center

Mayor Grohman first
LaFountaine second

Director Thompson – New security camera $24,207.29 pulled from Recreation account of 31206-40296
Used for pickup of Cubcare
Badges for pickup and for external door from Cubcare entrance
Badge swipe for afterschool on playground. Will not need key. Limiting keys and badges will help keep track of.
Have had vandalism
Beaupre – Security should be utmost. Where controlled? Badge access? From PD? City Hall? Will go off of PD badge access through Bill Gooch. He will install new badges. Going to be one camera that has four different angles.

Mayor Groham – When can get it installed? Hopefully before School starts next week as long as Minuteman has capacity.

All in favor
Unanimous

4.b Review / Month-End Closeout Reporting

Director Matherne provided sample reports that can be created in Munis. The information was not accurate as we are still working on FY24 and FY25. Reports will be provided monthly.

4.c Review / FY23 ACFR Compliance Report – Management Response, Items 3 & 4

Director Matherne went over the management responses and what policies and procedures have been put in place to correct these issues.

4.d 2025.109 Approval Award Finance Payroll Software RFP to Paylocity

Approved unanimously

5. Other Business

Executive session

Motion to adjourn LaFountain 5:54
Second: Mayor Grohman
Unanimous

Finance Committee

Meeting Date:	September 2, 2025
Meeting Time:	5:00 PM
Agenda Item No:	4.a
Item Description:	Approval of Funds for Paving-Playground Project, J. Richard Martin Community Center
Submitted By:	LIsa Thompson, CPRP, Recreation Director

Key Terms:
Playground project

Executive Summary:
Approval for funds to pave the area in front of the new playground at J. Richard Martin Community Center.

Detailed Review:
This project is linked to the current project for the J. Richard Martin Community Center playground project. There is an approximately 3,000 square-foot area that wraps around the front steps of the facility, going in both directions in walkways on both sides of the building to Clark and Myrtle streets. It is connected to the access area for the new playground. Prior to the demolition of the playground, this area was concrete and had several areas that were chipped, cracked and had holes in the surface, creating an unsafe walkway for patrons as well as an impassable area for wheelchair access. The playground contractor will be painting children's sidewalk games at no extra cost on the newly laid asphalt for additional recreation activities for those using the new park and playground.

Several companies were contacted and asked to provide quotes. Of the 5 companies that were contacted, 3 provided quotes:

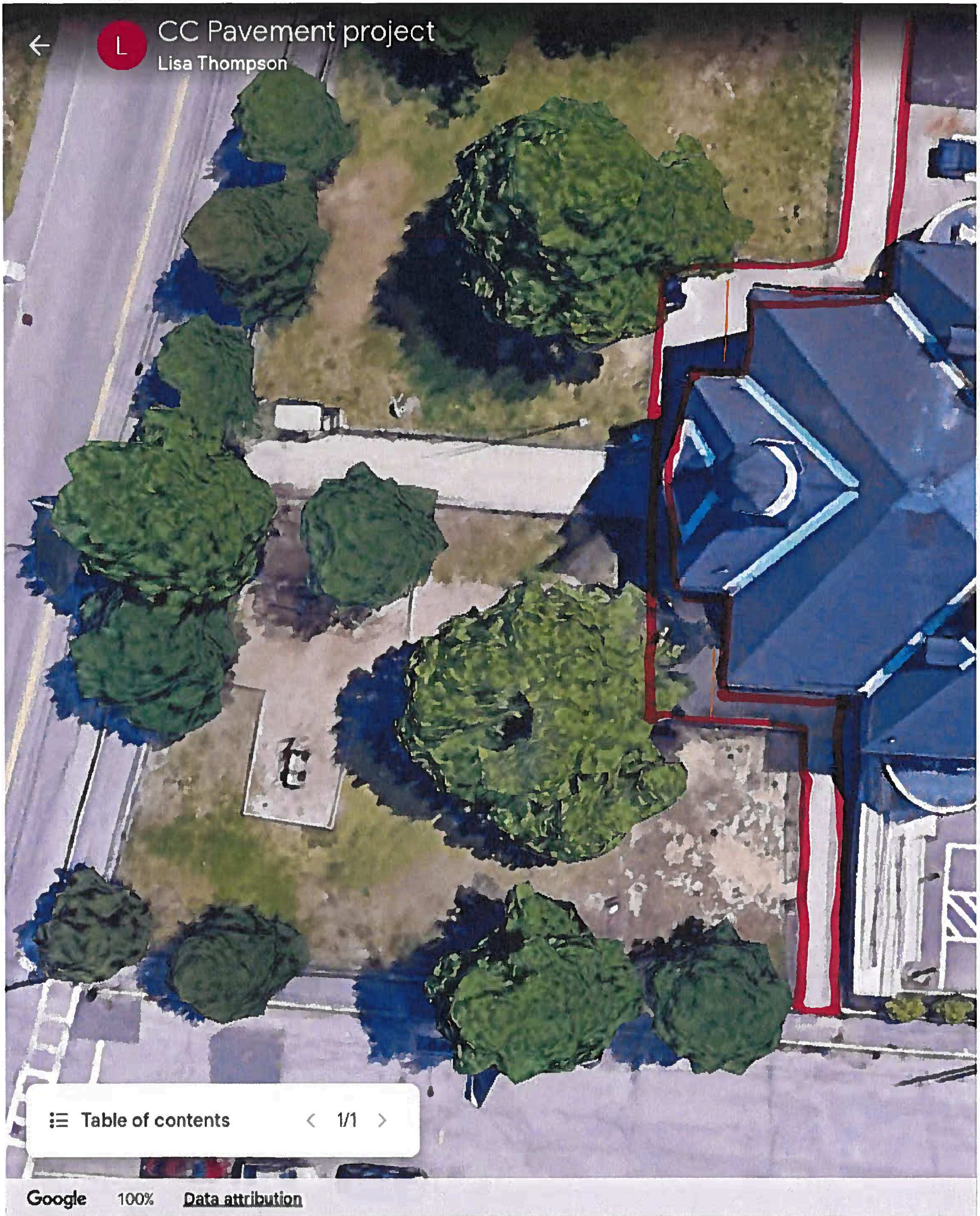
Gerard Asphalt $10,000.00
Pine State Asphalt- $18,000.00
Adams & Sons Paving - $21, 680.00

Funding Source:
$10,000 to be funded by Community Development Block Grant (CDBG) Account number 31117-60314

Staff Recommendation:
Staff recommends the quote provided by Gerard Asphalt in the amount of $10,000

Next Steps:
Upon approval, denial, or no action, the respective Finance Committee vote will be presented to the City Council for consideration at the September 2, 2025, regular meeting. Although the dollar amount of the approval is within the approval authority of the Finance Committee, the cumulative project cost triggers City Council review.

Attachments:
1. Pavement Project for JRM Community Center - MAP
2. Gerard Asphalt Quote
3. Pine State Asphalt Quote
4. Adams & Sons Quote



CC Pavement project
Lisa Thompson
Table of contents
1/1
Google
100%
Data attribution

56 Haybrook Drive.
Alfred, ME 04002
P: 207-229-3551
E: darrengerard@gerardasphalt.com
Date:8/22/25

Paving Invoice:#2025-1978

Contract Submitted To:
Biddeford Community Center

189 Alfred St.

Work To Be Performed At:

Biddeford, ME

Prep:

- Grade the existing gravel, fully compact
- Lay 3/4” reclaim to attain proper pitch and base throughout the driveway
- Fully compact using vibratory rollers and plate compactors
- Mill existing asphalt at street to allow for straight flush abutment of new and old asphalt

Paving:

- Lay 3” of 12.5 surface asphalt over the entire prepped area
- Fully impact using vibratory rollers and plate compactors
- Stay off minimum 48 hours

Total Due: $10,000.00

Thank You!

* PAYMENT: Remainder paid the day of completion before we leave your property*

*All deposits are **non refundable** they are taken to hold your spot in our busy schedule! This is not for a certain amount of work being completed strictly schedule.

*We accept Check, Venmo, Cash, or Credit Card **(Note any credit card transaction no matter the amount is a 4% fee to you the consumer)**

*All **PAVING** work comes with a 1 year warranty against any major defects, our name stays with your driveway forever!

***No warranties on reclaim projects - sealcoating projects - crack filling projects**

***No warranties on any project we did not prep fully**

***No warranties on any drain, catch basin etc.. (Heaving, Sinking, etc..)**

*If you give us a deposit and have the job done before we come back, **YOU** are responsible for paying the remainder of the contracted price

*We are not responsible for tire marks or tire dips whatsoever once our job is completed that is your responsibility to be careful with your brand new driveway!

*We are not responsible for any rodent, chipmunk, burrowing animals under your driveway at all no matter the timeline!

*Your Driveway, Roadway, or Parking Lot needs to be shouldered with either loam, reclaim, or gravel within a week of the completion. If not, we are not responsible for any cracking, or breaking 1ft in from the edge of the driveway at any timeline.

*Gerard Asphalt LLC is the sole owner, taking 100% ownership of all material we laid on your property until your balance is paid in FULL, ON TIME. Gerard Asphalt LLC has the right to repossess any and all material if you decide to back out before the project is completed or your balance is not paid as agreed upon in this contract, WITHOUT restoring the area to its original state.

*If balance is not paid on time according to our signed contract we will report to all three major credit bureaus

*If legal council may be needed, the customer and or owner of the property the work is being completed at is responsible for all fees on both sides. Gerard Asphalt LLC and the customers own lawyer and court fees. Gerard Asphalt LLC will not be responsible for any legal fees for either party.

***This contract is your contract but also your final invoice, your remaining balance is due the day we are finished before we leave the property! If you are not going to be home a check or payment source needs to be left somewhere or card called in to our office!**

*By signing here you have read and agreed to everything above as far as work being performed, scheduling, **payments being paid in full, the day we are completed!** and what we are and are not responsible for. Anything not listed above does not fall under this contract or our responsibility! We look forward to working with you!

Signature:

_________________________________ Date: 8/22/25

Biddeford, ME (Paving Around Playground)

#0001105

From: Pine State Asphalt
Pine State Asphalt & Athletic Courts
20 Arrowhead Pass
Windham, ME 04062
Pinestateasphalt.com
Pinestatecourts.com

Amount:
$18,000.00

Date of Issue:
8/21/2025

Expiration Date:
9/21/2025

Bill To: Lisa Thompson
130 May Street, Biddeford, ME,
USA
Company:
Director of Parks & Rec

Item	Rate (excl. tax)	Quantity	Tax	Total
Mobilization, Equipment, and Trucking • Mobilization of crews, tools, and resources to the project site • Delivery and staging of specialized paving equipment and support vehicles • Trucking and logistics to ensure timely supply of materials throughout the duration of work • Coordination and planning to maintain efficiency and minimize site disruption	**$6,000.00**	1		$6,000.00
Gravel Installation and Fine Grading • Supply and placement of quality gravel base material to support new pavement areas • Precision grading to establish proper slopes, elevations, and drainage patterns • Compaction of gravel base to create a stable foundation and maximize pavement longevity • Careful attention to transitions with existing surfaces for a seamless finish	**$6,000.00**	1		$6,000.00
Asphalt Paving (Handwork Application) • Placement of hot mix asphalt in confined areas where paving equipment cannot access • Extensive handwork and raking to ensure smooth, uniform coverage in tight spaces • Compaction of asphalt with appropriate rollers and plate tampers for durability • Final attention to edges, joints, and detail areas to deliver a clean, professional appearance	**$6,000.00**	1		$6,000.00

Subtotal	$18,000.00
Total	**$18,000.00**

Notes:

*After paving is completed, please keep the following in mind:

Wait Time:

-We recommend staying off the driveway for at least 24 to 48 hours to allow the asphalt to properly set. Foot traffic can resume within this period, but vehicle traffic should be avoided.

Cure Time:

-While the asphalt will be firm enough for regular use after a few days, it takes approximately 6 to 12 months to fully cure and harden. During this time, the surface may remain slightly soft, especially in hot weather.

Usage Guidelines:

-Avoid parking in the same spot for extended periods for the first few weeks, as this can cause depressions.

-Keep heavy vehicles, trailers, or sharp objects (such as motorcycle stands or jack stands) off the asphalt during the curing process.

-Be mindful of turning wheels while stationary, as this can create scuff marks, especially in hot temperatures.

-You may notice some minor surface imperfections or tire marks initially—this is normal and will settle over time as the asphalt continues to cure.

If you have any questions or concerns, please don’t hesitate to reach out

Accepted on: ____________ **Accepted by:** ____________ **Signature:** ____________

ADAMS & SONS PAVING

207-286-3223

Marty Adams
25 Briar Ln Arundel Me 04046
adams4paving@gmail.com
cell: 207-467-1507
www.adams4paving.com

FREE ESTIMATES **FULLY INSURED**

WORKMANSHIP GUARANTEED

Bidddeford Public Rec.

Name: Lisa Thompson
Address: 189 Alfred St
City: Biddeford
Phone # 207-205-4323 cell
Email: lisa.thompson@biddefordmaine.org
207-283-0841 office

Proposed work for Driveway

Stage 1: Edge back grass ____________

Stage 2: Dig out any roots / oldgravel

Stage 3:

-Add gravel to shim and level grade to pitch rain water

____

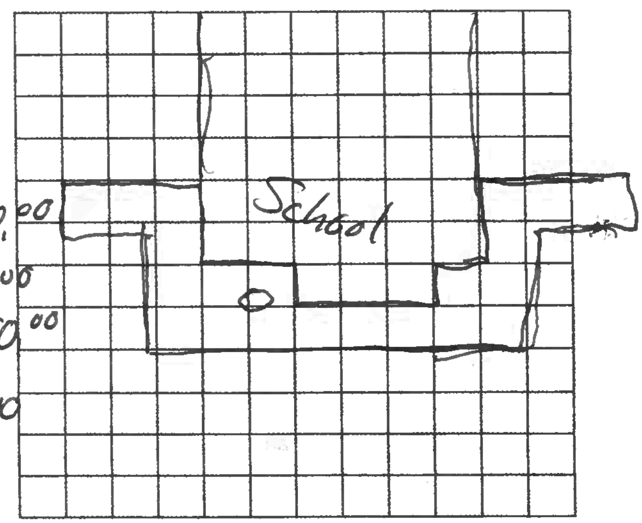
- Install approx. 4-6 inches of reclaim with ~~paver~~ to maintain proper drainage and compact with roller

Let settle for approx. 14+ days if needed

Stage 4:

Install approx. 2 & 3 inches of asphalt surface mix with paver and compact 3/8 Surface

*Stay off new pavement for 9 days



Cost for work described above $ 21680.00

1/3 Deposit due to schedule work $ 7200.00

Balance $ 14480.00

ALL EXTRAS (optional add-ons for an additional cost)

4. reset one man hole ring $ 275.00
5. $
6. $
7. $

Total balance including extras $ ______

Terms and conditions: Adams Paving proposes to furnish materials and labor to complete the work described above in a professional and prompt manner. Adams Paving may be excused for delays due to weather conditions or other unavoidable contingencies. Any alterations or additions must be covered by a change order. Adams Paving reserves the right to stop work and be paid for the portion of work that has been completed should a dispute arise. **One third payment is required by customer to schedule work.** Remaining balance due upon completion of work unless other terms are stated above. Adams Paving guarantees its workmanship and that materials used are of highest available quality. Adams Paving is not responsible to repair damage caused by weather, animals or the customer. If clay is found when excavating driveway a geofabric liner and additional twelve inch gravel sub-base is recommended for an additional cost TBD with acceptance of change order. If customer opts not to take advice to excavate clay and install liner to prevent settling Adams Paving will not be liable to repair any settling, cracking or deterioration of the driveway. This offer may be withdrawn if not accepted in five business days if required by scheduling.

We will tape off the end of driveway, do not drive on new pavement for 9 days.

Sign: [signature] Date: 8-26-25 Sign: ____________ Date: ______

Marty Adams pres. Customer name: ____________

Check out photos of our work online at www.adams4paving.com

Finance Committee

Meeting Date: September 2, 2025
Meeting Time: 5:00 PM
Agenda Item No: 4.b
Item Description: Bid Approval—Lead Hazard Reduction at 41 Granite St
Submitted By: Jessica Wilson, Community Development & Grants Manager

Key Terms:

HUD: US Department of Housing & Urban Development; IFB: Invitation for Bid

Executive Summary:

Housing Office staff recommends the award of IFB# 2025-07-15-03-LEAD, for required hazard-reduction work at 41 Granite St, be made to contractor Ray Corp of Lewiston in the amount of $26,400 from the City's Lead Hazard Reduction and Healthy Homes Grant. Ray Corp submitted the lowest bid, which is within 11% of the City's cost estimate. Investment in this property not only addresses health/safety hazards, but it also helps assure one of the units in this building is available to a household at no more than 50% of the area median income (AMI) and the other is available to a household at no more than 80% AMI for three years following the project's completion.

Detailed Review:

This 2-unit property was inspected for lead and other health/safety hazards in November 2024. Both units are eligible for lead abatement. Three contractors attended the pre-bid walkthrough, however, only two submitted bids. The interior lead hazards were identified as lead dust on windowsills and door stops which will be cleaned with a HEPA vacuum and wet washed. The work scope for the exterior will replace porch components having been identified as having lead hazards. Most of the non-lead work includes removal and replacement of several doors as well as additional porch components, including steps, handrails, and guardrails. The contractor, whose work is well known to the Housing Rehab Programs, expects to begin the project in September and finish in five weeks.

Funding Source:

This project is 100% funded by the City's HUD Lead Hazard Reduction & Healthy Home Grant

Staff Recommendation:

Housing Office staff recommends awarding the bid for the project at 41 Granite Street to Ray Corp for $26,400.

Next Steps:

Attachments:

1. Bid Summary--41 Granite St

Bid results: 41 Granite St Lead and HH
7/15/2025 14:00

41Granite St Bid Results Bid # 2025-07-15-03-LEAD

Number of Units:	*2*
Bid Notice Date	*6/24/2025*
Bid Open Date	*7/15/2025 at 2:00pm*
Bid Open Attendees:	*Jessica Wilson, Lisa Shultz, Scott Aulson*

Scope of work	***ICE***	***Ray Corp***	***The Aulson Compa***
Apt 1	*$3,300*	*$4,800*	*$10,110*
Apt 2	*$6,400*	*$4,400*	*$10,500*
HH	*$19,700*	*$17,200*	*$21,030.00*
start date		*1-Sep-25*	*upon award*
Duration		*5 weeks*	*2 weeks*
Total Price	***$29,400***	***$26,400***	***$41,640***

ny

Finance Committee

Meeting Date: September 2, 2025
Meeting Time: 5:00 PM
Agenda Item No: 4.c
Item Description: Bid Approval—Lead Hazard Reduction at 146 Cleaves St
Submitted By: Jessica Wilson, Community Development & Grants Manager

Key Terms:

HUD: US Department of Housing & Urban Development; IFB: Invitation for Bid

Executive Summary:

Housing Office staff recommends the award of IFB# 2025-07-15-01-LEAD, for required hazard-reduction work at 146 Cleaves St, be made to contractor RC Group of Biddeford in the amount of $86,450 from the City's Lead Hazard Reduction and Healthy Homes Grant. RC Group submitted the lowest bid, which is lower than City's cost estimate by 22%. This difference is in part because RC Group will utilize workers with expertise in coil stock thus reducing the labor costs. Investment in this property not only addresses health/safety hazards, but it also helps assure one of the units in this building is available to a household at no more than 50% of the area median income (AMI) and the other is available to a household at no more than 80% AMI for three years following the project's completion.

Detailed Review:

This 3-unit property was inspected for lead and other health/safety hazards in September 2024. All three units are eligible for lead abatement. Two contractors attended the pre-bid walkthrough and both submitted bids. Many of the interior lead hazards will be encapsulated with a lead-blocking compound and cleaned of lead dust while some rooms include components that will be scraped and painted. The work scope for the exterior is minor and involves windows, fascia, and soffit. Most of the non-lead work includes replacement of interior doors and windows. The contractor, whose work is well known to the Housing Rehab Programs, expects to begin the project in September and finish in three weeks.

Funding Source:

This project is 100% funded by the City's HUD Lead Hazard Reduction & Healthy Home Grant

Staff Recommendation:

Housing Office staff recommends awarding the bid for the project at 146 Cleaves Street to RC Group for $86,450.

Next Steps:

Attachments:

1. Bid Summary--146 CLEAVES ST

Bid results: 146 Cleaves St Lead and HH
7/15/2025 14:00

146 Cleaves St Bid Results Bid # 2025-07-15-01-LEAD

Number of Units:	*3*
Bid Notice Date	*6/24/2025*
Bid Open Date	*7/15/2025 at 2:00pm*
Bid Open Attendees:	*Jessica Wilson, Lisa Shultz*

Scope of work	*ICE*	*Ray Corp*	*RC Group*
Heathly Homes	*$16,100*	*$18,500*	*$13,600*
Apt 1	*$29,500*	*$27,250*	*$28,150*
Apt 2	*$16,800*	*$16,850*	*$14,100.00*
Apt 3 & Exterior	*$48,250*	*$36,450*	*$30,600.00*
start date		*1-Sep-25*	*1-Aug-25*
Duration		*10-12 weeks*	*3 weeks*
Total Price	***$110,650***	***$99,050***	***$86,450***

Finance Committee

Meeting Date: September 2, 2025
Meeting Time: 5:00 PM
Agenda Item No: 4.d
Item Description: Approval -Change Order- J. Richard Martin Community Playground Project
Submitted By: Lisa Thompson, CPRP, Recreation Director

Key Terms:

Executive Summary:
To provide details and seek approval of funds for an irrigation system to be added to the new playground project located at the J. Richard Martin Community Center .

Detailed Review:
This information is being provided based on a request from the Council at the August 19, 2025 meeting to include an irrigation system at the new playground currently being installed at the J. Richard Martin Community Center.

Funding Source:
Project cost: $240,997.20

Change order quote: $19,800.00

Total project cost :$260,797.20

Funded through Community Development Block Grant (CDBG) 31117-60314

Staff Recommendation:
Staff recommend the change order as presented.

Next Steps:
Upon approval, denial, or no action, the respective Finance Committee vote will be presented to the City Council for consideration at the September 2, 2025, regular meeting. Although the

dollar amount of the approval is within the approval authority of the Finance Committee, the cumulative project cost triggers City Council review.

Attachments:

1. Change order Playground irrigation

866.575.PLAY
www.ultiplayus.com
43 Main Street
Blackstone Massachusetts 01504
www.ultiplayus.com

Quote

 # EST-002469

Bill To
Biddeford ME Parks and Rec
,

Ship To
Biddeford ME Parks and Rec
189 Alfred S
Biddeford, ME 04005

Date :	Aug 28, 2025
Sales Rep :	Chris Martin
Rep Email :	cmartin@ultiplayus.com
Rep Phone # :	774-287-9182

#	Item & Description	Qty	Rate	Amount
1	Change Order Change order for Credit for returned play tiger $3,450 additional loam approx 50-100 yards and ground work due to tree removal and site grubbing additional seeding irrigation system	1	19,800.00	19,800.00
			Subtotal	19,800.00
			Total	**$19,800.00**

Terms & Conditions

Most of our manufacturing partners are shipping in 6-14 weeks . Quote is valid for 30 days and requires our authorization thereafter. Trash and packaging materials will be consolidated and stacked neatly on Customer's site or placed in Customer's dumpster on site if other arrangements have not been agreed.

Prices in the above Quote are valid under the noted expiration date. If you choose to pay with a credit card, processing fees will be added to the total. Tax will be added to the final invoice unless a tax-exempt certificate is provided. For orders in an amount of $100 or less, payment in full is required at the time of the order. For all other orders, a minimum 1/3rd deposit is required, unless expressly waived by UltiPlay (Orders from governmental entities are excluded from the deposit requirement).

Orders become final forty-eight (48) hours from receipt of Order Agreement. Orders may NOT be canceled or returned under any circumstances. Items which may be canceled or returned are subject to a twenty (20%) percent restocking fee, plus the cost of return freight. Returned items must be in original packaging, in new condition, and returned within ten (10) days. Authorization for the return must be obtained in writing from UltiPlay. Orders for products, other than those from Playworld, may NOT be canceled or returned.

If we can assist in any way, please reach out to your Sales Representative noted at the top of this document.

Authorized Signature ______________________
Signature, Title and Date

CBIZ CPAs

CBIZ CPAs P.C.

100 Westminster Street
Suite 500
Providence, RI 02903

P: 401.600.4500

August 6, 2025

City of Biddeford, Maine
Attn: Honorable Members' of the City Council
Attn: Brian Phinney, Acting City Manager
205 Main Street
Biddeford, Maine 04005

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide City of Biddeford, Maine (the "Client", "Entity", "you," or "your"). This letter constitutes the entire agreement between the Entity and CBIZ CPAs P.C. ("CBIZ CPAs," "Firm," "we," "us," or "our"") regarding the services described herein.

ENGAGEMENT OBJECTIVES AND OUR RESPONSIBILITIES

We will audit the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Client, as of June 30, 2024, and for the year then ended and the related notes to the financial statements, which collectively comprise the Client's basic financial statements as listed in the table of contents. We will also audit the major fund and remaining non-major fund information and compliance with Maine Statute Title 20-A Section 6051 *School Administrative Units* of the City of Biddeford School Department, a department of the City of Biddeford, Maine and the respective changes in financial position and budgetary comparison for the General Fund for the year ended June 30, 2024.

Our audit will be conducted with the objectives of our expressing an opinion on each opinion unit.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America ("U.S. GAAP") as promulgated by the Governmental Accounting Standards Board (GASB) require that certain information, such as management's discussion and analysis ("MD&A"), the budgetary comparison for the General Fund, and various pension and other post-employment benefits (OPEB) schedules, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Client's required supplementary information ("RSI") in accordance with GAAS. These limited procedures will consist of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
- Schedule of Changes in the City's Total Health Plan OPEB Liability and Related Ratios
- Schedule of City's Proportionate Share of the Net OPEB Liability
- Schedule of City's Proportionate Share of the Net Pension Liability (Asset) – Maine public Employees' Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
- Schedule of City's Contributions – Maine Public Employees' Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
- Schedule of Changes in the School Department's Total Health Plan OPEB Liability and Related Ratios

Supplementary information other than RSI will accompany the Client's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- Schedule of expenditures of federal awards

Auditors' Responsibilities

We will conduct our audits in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform

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

1. Identify and assess the risks of material misstatement of the financial statements, 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.

2. Obtain an understanding of the system 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 that we have identified during the audit.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

4. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America . Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Client's basic financial statements. Our report will be addressed to the governing body of the Client. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

In addition, we will audit the Client's compliance over major federal award programs for the year ended June 30, 2024. Our audit will be conducted with the objectives of our expressing an and an opinion on compliance regarding the entity's major federal award(s).

The objectives of our compliance audit is to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Audit of Major Program Compliance

Our audit of the Client's major federal award program(s) compliance will be conducted in accordance with the requirements of the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. 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, *Government Auditing Standards*, the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements 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 of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls 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 of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

MANAGEMENT'S RESPONSIBILITIES

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

1. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;
2. For the design, implementation, and maintenance of an effective system of internal control over the financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs,

and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;

8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditors aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence;
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
    e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For the evaluation of the effectiveness of the entity's internal control over financial reporting using suitable and available criteria;

22. For providing us with management's written assessment about the effectiveness of the entity's internal control over financial reporting;
23. For supporting management's assessment about the effectiveness of the entity's internal control over financial reporting with sufficient evaluations and documentation (e.g., policy or accounting manuals, narrative memoranda, flowcharts, decision tables, procedural write-ups, or completed questionnaires);
24. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
25. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards , you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards , (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

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.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

Management is responsible for all management decisions and performing all management functions including critical judgments and conclusions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee any financial statement preparation services, assistance with the preparation of the Data Collection Form, bookkeeping services, tax services, or other services we or our associated company CBIZ, Inc. (or its related entities (collectively with CBIZ, Inc., "CBIZ")) provides.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. If you are missing any documents or workpapers from our prior years' engagements (if applicable), it is your responsibility to inform us. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors' report to the date the financial statements are issued.

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

Per federal requirements, the Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and

- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

ENGAGEMENT FEES

We estimate that our fees for the services previously outlined will be $103,000. Estimated fees for the services previously outlined are segmented as follows:

City	$ 61,000
School	$ 34,000
Uniform Guidance*	$ 8,000
Total	$103,000

*The cost of the federal single audit and Uniform Guidance Report is based on the number of major programs determined at year end. We have included the audit of two major programs in connection with the audit work and reporting requirements related to major federal programs. Once the scope and number of federal programs is determined, we will negotiate a not-to-exceed fee for the audit of any additional major federal programs.

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services.

Additionally, our fees are dependent on the availability, quality, and completeness of the Client's records and, where applicable, upon the Client's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Client employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.). Circumstances – including but not limited to those such as those listed in Appendix A – may arise during the engagement that may cause delay or significantly affect our fees. CBIZ CPAs shall not be responsible for any consequences.

Invoices are due upon receipt. If our invoices for this, or any other engagements the Client may have with us, are not paid within 30 days after the invoice date, we may suspend or terminate our services for this and any other engagements. If we suspend our services, we may require that the Client pay all amounts due and/or submit a retainer to CBIZ CPAs before we resume such services. The Client agrees that if we suspend or terminate our services as a result of nonpayment, we will not be responsible for any consequences.

If invoices are not paid within 30 days of the invoice date, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law.

<u>DISPUTE RESOLUTION PROCEDURE (MEDIATION AND ARBITRATION) AND GOVERNING LAW</u>

Any dispute arising out of or relating to this engagement, or breach thereof, shall first be submitted for mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures. The parties agree to discuss their differences in good faith and to attempt, with facilitation by the mediator, to reach a consensual resolution of the dispute. The mediator shall be selected by agreement of the parties; if the parties cannot agree on a mediator, a mediator shall be appointed by the AAA. The mediation shall be treated as a settlement discussion and shall be confidential. The mediator may not testify for any party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceeding. Each party shall bear its own costs in the mediation, and the fees and expenses of the mediator shall be shared equally by the parties. No other proceeding shall be commenced prior to 60 days after the parties' first appearance before the mediator.

If a dispute has not been resolved within 60 days after the written initiation of the mediation, the dispute shall be settled by arbitration administered by the AAA under its Accounting and Related Services Arbitration Rules (the "Rules"). In the event of a conflict between the Rules and this Agreement, this Agreement shall control. The arbitration shall be conducted before a panel of three arbitrators, selected by application of the rules of the AAA, or by mutual agreement of the parties, except that all arbitrators shall be lawyers or former judges. Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery. The arbitration panel shall issue its final award in a written and reasoned decision to be provided to each party. The arbitration panel shall have no authority to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction. All aspects of the arbitration shall be treated as confidential. The parties and the arbitrator may disclose the existence, content, or result of the arbitration only as expressly provided by the Rules. The award reached as a result of the arbitration will be binding on the parties, and judgment on the award may be entered in any court having jurisdiction.

The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action of the Firm and/or the Client and our relationship with you shall be governed by the laws of the State of New York (without giving effect to its choice of law principles).

<u>LIMITATION OF LIABILITY</u>

Unless otherwise prohibited by law or applicable professional standard, you agree that CBIZ CPAs and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ CPAs pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of CBIZ CPAs. Unless otherwise prohibited by law or applicable professional standard, in no event shall CBIZ CPAs or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to

> ***this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise.***
>
> ***No action, regardless of form, arising out of the services under this agreement may be brought by you more than one year after the date the last services are provided under this agreement.***
>
> ***The Client hereby indemnifies CBIZ CPAs and its shareholders and other professionals, and holds them harmless from all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by a member of the Client's management, regardless of whether such person was acting in the Client's interest. This indemnification will survive completion or termination of this agreement.***

OTHER MATTERS

Auditors' Report and Reproduction

We will issue a written report upon completion of our audit of the Client's financial statements. Our report will be addressed to those charged with governance. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report. If for any reason, we are unable to complete the audit or we are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require us to do so, we may resign from the engagement prior to completion.

Except to the extent prohibited by law, if you intend to publish or otherwise reproduce the financial statements and/or make reference to our Firm, you agree that the Client's management will provide us with a draft for our review and approval before disclosure, inclusion or incorporation by reference of any of our reports or the reference to CBIZ CPAs before such document or information is published, printed or distributed. You also agree to provide us with the final reproduced material for our approval before it is distributed. In addition, to avoid unnecessary delay or misunderstanding, you agree to provide us timely notice of your intention to issue any such document. Our fees for any additional procedures or services we require to provide approval to you would be in addition to those fees discussed above. Notwithstanding the foregoing, you may distribute the financial statements "as is," without our written consent; provided such financial statements are not inserted in any other document or are not altered or revised in any manner, including without limitation, the alteration, addition or removal of data or information to or from such financial statements.

With regard to the electronic dissemination of the Client's financial statements, including financial statements published electronically on the Client's website, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

Background Checks

As a matter of our Firm policy, we perform background checks on potential clients and/or on existing clients, on an as-determined basis. The terms and conditions of this engagement are expressly contingent upon the satisfactory completion of our investigatory procedures and we reserve the right to withdraw from any relationship should information which we deem to be adverse come to our attention.

Predecessor Auditor

Before formally accepting this engagement, we are required by auditing standards generally accepted in the United States of America to make certain communications with your predecessor auditor. Soon after our appointment as your new auditors, we will request your permission to contact your predecessor auditor, and they will require your authorization to respond fully to our inquiries and to provide us with copies of certain of their working papers. Our continued acceptance of this engagement is subject to the results of such communication. We will notify you immediately if we become aware of anything from your predecessor auditor that results in our not being able to continue this engagement and resulting in us terminating and resigning from this engagement.

Independence and Our Personnel

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. These services are being provided under the AICPA and Government Accountability Office (GAO) independence standards. If the Client becomes subject to Public Company Accounting Oversight Board ("PCAOB") or Securities and Exchange Commission ("SEC") independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA and Government Auditing Standards may have impaired our past or may impair our future independence under the PCAOB and SEC standards. CBIZ CPAs' acceptance of this engagement is conditioned on confirming that it is independent under applicable standards. We will inform you promptly if we determine that we are not independent.

In addition, we will periodically reevaluate our independence as part of our customary client continuance process or more frequently, should circumstances arise that may require us to investigate whether our independence may have been impaired in which case we may terminate and resign from this engagement in our sole and absolute discretion. You agree to promptly advise us of any matters or changes in circumstances that could affect our independence or give rise to conflicts including, changes in senior management or the Elected Body, or entities that may have preexisting relationships with CBIZ or CBIZ CPAs or conflicts that could affect our independence.

Any discussions that the Client has with personnel of CBIZ CPAs or CBIZ regarding potential employment with the Client could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure our independence on this engagement. Any additional costs incurred due to these procedures will be billed at our standard hourly rates.

Furthermore, we strive to maintain a staff of quality, trained professionals. In recognition of the investment we have made to recruit and develop our personnel, solely to the extent not prohibited by law, you agree to not solicit any of our employees involved in this engagement at any time while we are performing services for you or within one year thereafter; irrespective of whether they've worked on your account or not. However, this limitation shall not apply to employment via a general solicitation or open job posting which is not directed towards the employee or CBIZ CPAs.

Access to Working Papers; Confidentiality

Our workpapers and files for this engagement are the property of CBIZ CPAs. If we receive a subpoena or other administrative, judicial, or government demand or request requiring it to provide information or documents, we will, unless prohibited by law, provide written notice to the Client of such demand or request. The Client shall reimburse CBIZ CPAs for our time at standard rates and reasonable expenses (including reasonable attorneys' fees and expenses) incurred in responding to such demands or requests.

Certain professional standards, including American Institute of Certified Public Accountants Code of Professional Conduct 1.700 and similar rules adopted by state boards of accountancy, prohibit the disclosure of client confidential information without client consent, except in limited circumstances. CBIZ CPAs will treat the Client's confidential information in accordance with applicable professional standards. The Client acknowledges and agrees that we may disclose confidential information as directed by the Client or as permitted by law, rule, regulation, professional standards or guidelines, or the terms of this engagement letter. The Client authorizes CBIZ CPAs to use email and other electronic methods to transmit and receive information, including confidential information, related to this engagement. CBIZ CPAs will employ commercially reasonable efforts to protect the confidentiality of transmitted information.

In performing our engagement, we will utilize professional and administrative staff who are employed by or otherwise associated with CBIZ or other entities. These individuals will be under the direct control and supervision of CBIZ CPAs, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and CBIZ CPAs has contractual agreements requiring confidential treatment of all client information.

In addition, the Client agrees that we may provide CBIZ with access to the Client's accounting, financial, and other records in our possession so that CBIZ can provide the Client with any services it has engaged them to perform.

Should you request that we use a third-party electronic file transfer service in connection with this engagement, you acknowledge that CBIZ CPAs makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that third-party electronic file transfer service. You also agree that CBIZ CPAs is not responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, third-party electronic file transfer service.

Nothing in this letter is intended to limit your rights and obligations pursuant to Maine's "Freedom of Access" law, Title 1, Chapter 13, Subchapter 1.

Termination

Our engagement ends on the earlier of termination or resignation (including without limitation, our declining to issue a report or other work product) or CBIZ CPAs' delivery of our report. We acknowledge your right to terminate our services at any time, and you acknowledge our right to terminate our services and this agreement and resign at any time in our sole and absolute discretion, subject in either case to our right to payment for all direct and indirect charges including out-of-pocket expenses incurred through the date of termination or resignation or thereafter as circumstances and this agreement may require, plus applicable interest, costs, fees and attorneys' fees. All terms which by their nature are reasonably intended to survive will survive termination, resignation or expiration.

Agreement

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If it is determined that any provision of this letter is unenforceable, all other provisions shall remain in full force and effect. This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. The Client may not assign or transfer this agreement, or any rights, licenses, obligations, claims or proceeds from claims arising out of or in any way relating to this agreement, any services provided hereunder, or any fees for services to anyone, by operation of law or otherwise without CBIZ CPAs' prior written consent and any assignment without consent shall be void and invalid. CBIZ CPAs may assign this agreement, including all the rights and benefits hereunder, to any affiliate or acquirer of or successor to its business, or purchaser of all or substantially all of its assets, stock or interests or in the event of a reorganization or restructuring, and by your signature hereto, you consent to such assignment and the transfer of the Client's files and information.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the Client and that no other person or entity shall be authorized to enforce the terms of this engagement. The undersigned represents and warrants that it has the requisite authority and consents to enter into and perform this Agreement and the obligations herein for and on behalf of the City of Biddeford, Maine.

If you agree with the terms of our engagement, as described in this letter, please sign this PDF version of the engagement letter and return it to us by email and we will send you a fully executed copy.

Our acceptance of this engagement and return of a fully executed engagement letter is subject to the review and approval of our Firm's client acceptance policies. If our Firm decides not to accept this engagement for any reason, then we will inform you immediately in writing.

In accordance with the requirements of *Government Auditing Standards*, our latest external peer review report of our Firm is available upon request.

Very truly yours,

James D. Wilkinson, CPA
CBIZ CPAs P.C.

ACCEPTED

This letter correctly sets forth the agreement of City of Biddeford, Maine.

Authorized signature: ______________________________

Name: ____

Title: ____

Date signed: ______________________________________

Authorized signature: ______________________________

Name: ____

Title: ____

Date signed: ______________________________________

APPENDIX A

Circumstances Affecting Timing and Fee Estimate

The estimated fee is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by CBIZ CPAs in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, CBIZ CPAs may incur significant unanticipated costs.

2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to CBIZ CPAs (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). CBIZ CPAs will provide the accounting personnel with a separate listing of required schedules and deadlines.

3. Weaknesses in the internal control structure.

4. Significant new issues or unforeseen circumstances as follows:

    a. New accounting issues that require an unusual amount of time to resolve.

    b. Changes or transactions that occur prior to the issuance of our report.

    c. Changes in the Client's accounting personnel, their responsibilities, or their availability.

    d. Changes in auditing requirements set by regulators.

5. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by CBIZ CPAs. All invoices, contracts and other documents which we will identify for the Client, are not located by the accounting personnel or made ready for our easy access.

6. A significant level of proposed audit adjustments is identified during our audit.

7. Changes in audit scope caused by events that are beyond our control.

8. Untimely payment of our invoices as they are rendered.