

PIKES PEAK LIBRARY DISTRICT BOARD OF TRUSTEES
JANUARY 26, 2024 5 pm
VIRTUAL ONLY



VIRTUAL MEETING (ZOOM)

Call in: 1-253-215-8782 or 1-312-626-6799 or 1-669-900-6833 or 1-346-248-7799

Meeting ID: 837 1958 5376

Passcode: 940463

REGULAR MEETING OF THE BOARD OF TRUSTEES

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PUBLIC COMMENT (*3 Minute Time Limit per Person*)
- IV. BUSINESS ITEMS
 - A. Unfinished Business
 - 1. DECISION 24-1-4: Resolution Designating Posting Places for 2024 Board Meetings (p.2)
 - 2. DECISION 24-1-5: Resolution Approving 2024 Property Disposal Guidelines (p.3)
 - 3. DECISION 24-1-6: Resolution Approving 2024 Contracts and Vendors (p. 7)
 - 4. DECISION 24-1-7: Resolution Approving 2024 Insurance Policies (p. 12)
 - 5. DECISION 24-1-8: Independent Auditors – 2023 Financial Records (p. 14)
- V. ADJOURNMENT

The full packet of materials for this meeting of the Pikes Peak Library District Board of Trustees is available at <https://ppld.org/board-trustees>

Pikes Peak Library District Board of Trustees
Resolution approving all designated posting places of notices for all meetings of the
Pikes Peak Library District Board of Trustees, as required by State statutes.

Whereas, the Board of Trustees must designate and post the time and place for all Board meetings; and

Whereas, the Board of Trustees must pass a resolution at the first regular meeting of each year as to the posting place of the agenda notice; and

Whereas, the Board of Trustees must designate at least one place to post the notice of all meetings of a quorum of the Board at which public business is discussed in a designated public place no less than 24 hours prior to said meeting, the notice of which must include specific agenda items when possible (C.R.S. 24-6-402(2)(c)).

Now, therefore, be it resolved by the Board of Trustees of the Pikes Peak Library District that:

1. The public bulletin board located on the main floor at the Penrose Public Library is the designated place to post the 24-hour notices as required by State Statute for all meetings of the Board of Trustees during 2024.
2. In addition, meeting notices and agendas are to be posted in at least three other District facilities no later than 24 hours prior to the meeting.
3. In addition, meeting notices, agendas and meeting documents are to be posted on the District's web site no later than 24 hours prior to the meeting.

Adopted, this 26th day of January 2024

President
Board of Trustees

Resolution Approving Property Disposal Guidelines, Pursuant To State Statutes

Whereas, State Statutes dictate the responsibilities for library Board of Trustees in terms of disposing library property; and

Whereas, the Board of Trustees of the Pikes Peak Library District (PPLD) should adopt a policy during January of each year that dictates how library property shall be disposed of during the year; and

Whereas, Colorado Revised Statute 24-90-109(1) states:

“The Board of Trustees shall:

Sell, assign, transfer, or convey any property of the library, whether real or personal, which may not be needed within the foreseeable future for any purpose authorized by law, upon such terms and conditions as it may approve, and lease any such property, pending sale thereof, under an agreement of lease, with or without an option to purchase the same. The Board, prior to conveyance of such property, shall make a finding that the property may not be needed within the foreseeable future for library purposes, but no such finding shall be necessary if the property is sold or conveyed to a state agency or political subdivision of the state.”

Whereas, other library districts throughout Colorado have adopted a similar resolution on an annual basis to clearly dictate how property shall be disposed of during the year to comply with the State Statutes; and.

Whereas, the Library has several classes of assets the staff may identify for disposal, at such times PPLD may not need assets for library purposes in the near future, including:

- a. Library materials (books, CD’s, etc.)
- b. Information Technology (IT) and Audio/Visual (A/V) equipment (PC’s, printers, monitors, servers, overhead projection system, large screen displays, telephones, etc.)
- c. Furniture and equipment (including, but not limited to, chairs, tables, shelving, other office items such as filing cabinets, bookcases, cash registers, etc.)
- d. District fleet vehicles
- e. Real property (land and buildings owned by the Library)

Now, therefore, the Board of Trustees of the Pikes Peak Library District resolves that the library staff will use the following guidelines for disposal of Library property during the year 2024:

1. Any disposal of an item/system that has a value of \$10,000 or more requires specific approval by the Board of Trustees before the asset can be disposed of in any manner.
2. PPLD staff may dispose of discarded or weeded library materials (books/materials weeded during 2024 calendar year which are no longer needed by PPLD) in one of the following methods:
 - a. Donated to the Friends of the Pikes Peak Library District for sale to the public.
 - b. Taken to and sold at an auction house or sold through an on-line vendor service or some other establishment that sells used books to the public. The Library receives the proceeds less a commission to the establishment for their services.
 - c. The Chief Librarian and Chief Executive Officer (CL&CEO) or CL&CEO designated representative may direct donating assets to charities or other non-profit organizations.

- d. The CL&CEO or CL&CEO designated representative may direct giving assets to other political subdivisions of the State of Colorado.
 - e. Recycled when the PPLD staff has exhausted other methods of disposal. PPLD staff may dispose of items that are broken, destroyed or otherwise have no value in the same manner.
3. PPLD staff may dispose of IT and A/V equipment with a value less than \$10,000 that the Chief Information Technology Officer (CITO) has certified is no longer needed, obsolete or have no retail value in the following manner:
- a. For IT and AV equipment with an estimated value of greater than \$1,000 (per item), PPLD staff shall hold a public sale, only if the CITO estimates proceeds from the sale exceeds the estimated cost of conducting the public sale by more than \$1,000.
 - b. IT staff may take the equipment to an auction house or sell assets through an on-line vendor service or some other establishment selling used IT equipment. The Library receives the proceeds less a commission to the establishment for their services.
 - c. CITO shall place surplus IT and AV equipment with an estimated value less than \$1,000 (per item) on the Library's Internet web site or other similar on-line options available through the Internet (i.e., E-bay, Craigslist, etc.) for a period not less than 1 week for sale to the public and staff. CITO or IT staff shall establish a sale price based on comparable sales of similar items on internet sale sites. CITO or IT staff may group items together for sale as necessary to ensure quick removal from inventory. The CFO may place a legal notice in the local newspaper that promotes the item for sale, as deemed appropriate.
 - d. CITO may return to the supplier for credit any equipment excess to the needs of the district.
 - e. CITO with CL&CEO or CL&CEO designated representative approval may donate IT and A/V equipment to charities or other non-profit organizations.
 - f. CITO with CL&CEO or CL&CEO designated representative approval may transfer IT and A/V equipment to other political subdivisions of the State of Colorado.
 - g. CITO may dispose of IT and A/V equipment through regulated IT and A/V disposal companies after other methods of disposal listed in previous paragraphs are exhausted. Items that are broken or otherwise have no value may be disposed of in the same manner. The CITO has the authority to transfer non-functioning IT and AV equipment to the public should the CITO determine it is beneficial to PPLD versus paying the recycling costs.
 - h. The CL&CEO or CL&CEO designated representative may direct the CITO to dispose of IT and A/V assets to other state or local government entities (i.e., public schools, etc.).
 - i. The CITO will determine the cost effectiveness of selling items, recycling items or giving items away against the overall staff resources associated with executing a "retail" sale of IT and A/V equipment. If the CITO determines it is not cost effective to conduct retail sales, then the CITO will request CL&CEO or CL&CEO designated representative approval to bypass retail sales and proceed to equipment disposal.
 - j. The CITO or IT staff shall send to a computer recycling firm for disposal, according to legislation prohibiting the wholesale dumping of such equipment computer equipment, when obsolete and

not subject to donation or sale. The CITO or IT staff will record the reduction of assets and accumulated depreciation in the financial records upon disposal of capital assets.

4. Surplus furniture and equipment with a value less than \$10,000 that is no longer needed or obsolete shall be disposed of in the following manner:
 - a. For furniture and equipment with an estimated value of greater than \$1,000 (per item), PPLD staff shall hold a public sale, only if the estimate of proceeds will exceed the estimated cost of conducting the garage sale by more than \$1,000.
 - b. PPLD staff can take surplus furniture and equipment to an auction house, sold through an on-line vendor service, or some other establishment that sells surplus furniture and equipment to the public. The Library receives the proceeds less a commission to the establishment for their services.
 - c. PPLD staff shall place surplus furniture and equipment with an estimated value less than \$1,000 (per item) on the Library's Internet web site or other similar on-line options available through the Internet (i.e., E-bay, Craigslist, etc.) for a period not less than 1 week for sale to the public and staff. PPLD staff shall establish a sale price based on comparable sales of similar items on internet sale sites. PPLD staff may group items together for sale as necessary to ensure quick removal from inventory. The CFO may place a legal notice in the local newspaper that promotes the item for sale, as deemed appropriate.
 - d. PPLD staff may donate surplus furniture and equipment, with CL&CEO approval, to charities or other non-profit organizations.
5. Surplus furniture and equipment with a value less than \$10,000 that is no longer needed or obsolete shall be disposed of in the following manner:
 - a. For furniture and equipment with an estimated value of greater than \$1,000 (per item), PPLD staff shall hold a public sale, only if the estimate of proceeds will exceed the estimated cost of conducting the garage sale by more than \$1,000.
 - b. PPLD staff can take surplus furniture and equipment to an auction house, sold through an on-line vendor service, or some other establishment that sells surplus furniture and equipment to the public. The Library receives the proceeds less a commission to the establishment for their services.
 - c. PPLD staff shall place surplus furniture and equipment with an estimated value less than \$1,000 (per item) on the Library's Internet web site or other similar on-line options available through the Internet (i.e., E-bay, Craigslist, etc.) for a period not less than 1 week for sale to the public and staff. PPLD staff shall establish a sale price based on comparable sales of similar items on internet sale sites. PPLD staff may group items together for sale as necessary to ensure quick removal from inventory. The CFO may place a legal notice in the local newspaper that promotes the item for sale, as deemed appropriate.
 - d. PPLD staff may donate surplus furniture and equipment, with CL&CEO approval, to charities or other non-profit organizations.
 - e. PPLD staff may give surplus furniture and equipment, with CL&CEO approval, to other political subdivisions of the State of Colorado.

- f. Surplus furniture and equipment may be disposed of through recycling when other methods of disposal have been exhausted. Items that are broken, destroyed or otherwise have no value may be disposed of in the same manner.
 - g. The CL&CEO may direct disposal of surplus furniture and equipment to other state or local government entities (i.e., public schools, etc.)
6. Library fleet vehicles and real property (land and buildings) owned by the Library requires approval by the Board of Trustees prior to disposal in any manner.

Adopted, this 26th day of January 2024.

President

Board of Trustees

**Pikes Peak Library District Board of Trustees
Resolution Approving Contracts and Vendors with Projected 2024 Activity Greater Than
\$100,000**

Whereas, the Financial Guidelines) dictate that the Board of Trustees must approve all contracts and purchases (singularly and in aggregate) in excess of \$100,000 annually; and

Whereas, Attachment A to this resolution includes the list of contracts, other estimated obligations, and estimated purchases with vendors that either are or may be in excess of \$100,000 during 2024; and

Whereas, the Board of Trustees legally approved the expenditures when they approved the 2024 budget.

Now, therefore, be it resolved by the Board of Trustees of the Pikes Peak Library District that:

The list of contracts and all other obligations included under Attachment A to this resolution are approved for 2024 for the purposes stated and at the specified amounts.

Adopted, this 26th day of January 2024.

President
Board of Trustees

Attachment A

List of Contracts/Vendors with Projected 2024 Activity greater than \$100,000

1. Contract Purpose: Rent charges – Cheyenne Mountain Library.

Vendor: Monitor Cheyenne LLC

Status: This amount represents the total rent due for all of 2024 in accordance with the lease agreement.

Amount: \$134,612

2. Contract Purpose: CAM charges – Cheyenne Mountain Library

Vendor: Monitor Cheyenne LLC

Status: This amount represents an estimate of the CAM charges for the Cheyenne Mountain Library for 2024. The amount is calculated in accordance with the provisions of the lease agreement.

Amount: \$30,906

3. Contract Purpose: Rent charges – Rockrimmon Library

Vendor: Monitor Rockrimmon LLC

Status: This amount represents the total rent due for all of 2024 in accordance with the lease agreement.

Amount: \$189,246

4. Contract Purpose: CAM charges – Rockrimmon Library.

Vendor: Monitor Rockrimmon LLC

Status: This amount represents an estimate of the CAM charges for the Rockrimmon Library for 2024. The amount is calculated in accordance with the provisions of the lease agreement.

Amount: \$51,962

5. Contract Purpose: Rent charges – Monument Library

Vendor: Woodmoor Village, LLC

Status: This amount represents the total rent due for all of 2024 in accordance with the lease agreement.

Amount: \$149,866

6. Contract Purpose: CAM charges – Monument Library.

Vendor: Woodmoor Village, LLC

Status: This amount represents an estimate of the CAM charges for the Monument Library for 2024. The amount is calculated in accordance with the provisions of the lease agreement.

Amount: \$28,350

7. Contract Purpose: Rent charges – Ruth Holley Library

Vendor: Murray Square Investments

Status: This amount represents the total rent due for all of 2024 in accordance with the lease agreement.

Amount: \$150,271

8. Contract Purpose: CAM charges – Ruth Holley Library.

Vendor: Murray Square Investments

Status: This amount represents an estimate of the CAM charges for the Ruth Holley Library for 2024. The amount is calculated in accordance with the provisions of the lease agreement.

Amount: \$42,791

9. Contract Purpose: Estimated utilities costs for 2024 – various District facilities.

Vendor: Colorado Springs Utilities

Status: It is recommended that an open purchase order be prepared for the following estimated utility costs:

Penrose	Water and Sewercharges	\$21,630
Penrose	Electricity charges	\$150,660
Penrose	Gas charges	\$24,680
East	Water and Sewercharges	\$34,500
East	Electricity charges	\$164,200
East	Gas charges	\$18,868
Chy. Mtn.	Gas charges	\$4,500
Chy. Mtn.	Electricity charges	\$11,500
Library 21C	Water and Sewercharges	\$30,000
Library 21C	Electricity charges	\$38,000
Library 21C	Gas charges	\$44,300
Ute Pass	Water and Sewer charges	\$1,500
Ute Pass	Electricity charges	\$2,754
Ruth Holley	Gas charges	\$4,006
Ruth Holley	Electricity charges	\$12,862
OCCB	Water and Sewercharges	\$2,300
OCCB	Electricity charges	\$7,350
OCCB	Gas charges	\$3,392
Rockrimmon	Electricity charges	\$11,664
Rockrimmon	Gas charges	\$3,922
Sand Creek	Water and Sewercharges	\$2,800
Sand Creek	Electricity charges	\$16,200
Sand Creek	Gas charges	\$4,187

Amount: The total of all open purchase orders listed above is \$615,775.

10. Contract Purpose: Payment of the El Paso County Treasurer's Office fees during 2024, as mandated by State Statute.

Vendor: El Paso County Treasurer's Office

Status: State Statutes authorize all County Treasurers to withhold 1.5% of all property tax collections made on behalf of other governmental entities within their jurisdiction. This charge has been imposed on the District since inception.

Amount: \$537,169

11. Contract Purpose: Broadband services

Vendor: Zayo (formally Allstream)

Status: Zayo provides broadband service for PPLD to meet requirements for internet wide area network services. The Federal E-Rate program subsidizes 80% of this service.

Amount: \$184,000

12. Contract Purpose: The District's share of the estimated 2024 contribution to the El Paso County Retirement Plan.

Vendor: El Paso County Pension Trust

Status: The District offers a retirement plan benefit for all of its full-time employees. The District contributes 11.4% of all full-time employee salaries to the El Paso County Retirement Plan. The District has participated in this plan for many years. The amount below is an estimate of the District's cost (only) for 2024.

Amount: \$1,818,139

13. Contract Purpose: Purchases of library materials (CD's, DVD's, or other items) – 2024 estimate.

Vendor: Midwest Tape

Status: The amount below is simply an estimate of how much the District will spend on library materials with this vendor during 2024. It is based on total annual amounts spent with this vendor during prior years. The District's Collection Management Department determines which vendor to use to purchase selected items, and it generally selects the vendor that offers the best price.

Amount: \$350,000

14. Contract Purpose: Purchase of periodicals and serials for 2024 and certain databases

Vendor: EBSCO

Status: The amount below represents an estimate of what the Library will pay during 2024 for the purchase of periodicals and serials (subscriptions) and databases. The District has used this vendor in the past because they provided the best services at the most competitive price rates.

Amount: \$135,000

15. Contract Purpose: Purchases of library materials – 2024 "not to exceed" estimate.

Vendor: Overdrive, Inc.

Status: The amount below is simply an estimate of how much the District will spend on electronic library materials with this vendor during 2024. It is based on total annual amounts spent with this vendor during prior years.

Amount: \$2,000,000 +

16. Contract Purpose: Office supplies - 2024

Vendor: Amazon Business Solutions (formally Staples)

Status: This amount covers an estimated amount of office and other supply purchases from Staples.

Amount: \$150,000

17. Contract Purpose: Courier services

Vendor: Stat Courier Services

Status: This amount covers delivery services for all district facilities during 2024.

Amount: \$253,000

18. Contract Purpose: Library book purchases – an estimate for 2024

Vendor: Ingram

Status: Due to the results of an RFP for processing services, Ingram is the District's primary vendor for book purchases for most materials. Ingram has shown to have the best discounts for materials, as well as superior processing, cataloging, and shipping services.

Amount: \$950,000

19. Contract Purpose: Janitorial and carpet cleaning services

Vendor: Frank Martin

Status: This vendor is used to provide janitorial and carpet cleaning services throughout the District.

Amount: \$537,528

20. Contract Purpose: Digital music and eBooks, audio/read-along books for children.

Vendor: Library Ideas, Inc

Status: Freegal Streaming Music, Vox Books for children, Freading eBooks.

Amount: \$100,000

21. Contract Purpose: Library Services

Vendor: OCLC, Inc.

Status: Library services including catalog records, Interlibrary Loan software and resource sharing services, Worldcat







Amount: \$134,000

Insurance Policies - 2024

During 2015, the District completed a formal RFP process to select an insurance consultant for all non-employee benefit-related insurance policies. The consultant selected was HUB International (HUB).

HUB obtained renewal quotes for 2024 from our current carriers, as follows (including 2023 insurance policies/premiums for comparative purposes):

Premium Summary

Coverage	Expiring		Renewal	
	Carrier	Premium	Carrier	Premium
Property including Equipment Breakdown		\$122,867		\$144,126
Inland Marine		Included		Included
General Liability		\$17,023		\$17,716
Business Automobile		\$4,319		\$4,434
Umbrella Liability		\$8,933		\$9,055
Abuse & Molestation		Included		Included
Workers Compensation & Employers Liability*		\$47,552		\$58,953
Public Officials Liability		\$17,280		\$17,044
Volunteer/Accident		\$5		\$35
				\$217,979
Crime		\$4,000		\$4,000
Brokerage Consulting Fee		\$18,500		\$18,500
		\$240,479		\$273,863

The policy coverage is substantially the same between the 2023 (Expiring) and 2024 (Renewal). Overall, the District will experience a 13.9% cost increase of \$33,384, which is approximately one-half of the dollar increase for 2023. Our coverage costs can be broken down into four groups: Property, Worker’s Compensation, Crime and Consulting Fees.

Overall, Property related coverage increased 12.9%. Our claim experience under the Property coverage line significantly declined over the previous year, as last year included the East Library Roof replacement claim. Colorado Special District (CSD), our insurer, does limit the impact of large claims by capping the claim incurred to 25% of contributions. Without that limit, our increase would have been much higher.

Overall, our Worker’s Compensation & Employers Liability increased by 24.0%. Two items, in particular, contributed to this increase. First, the National Council on Compensation Insurance (NCCI) changed the rating factors, which increased rates even if an organization had no losses. Second, while our overall payroll increase was only 3.18%, the increase for the higher rated security class increased 14.7%, year over year, which resulted in higher insurance costs.

Coverage for Cyber Liability remained the same. This coverage remaining flat can be contributed to the District successfully implementing Multi-Factor Authentication (MFA) processes and procedures last year and that the industry has eased higher rates brought on by the COVID pandemic.

HUB's consulting fee for 2024 is \$18,500, which is the same as the 2023 fee. This fee is included in the totals above. Please note the District elected to pay the consultant fee directly to HUB.

Recommendation

Management recommends the Board of Trustees approve the renewal policy premiums listed above for the District's 2024 insurance policies, along with HUB's consulting fee of \$18,500, for a total cost of \$273,863.

Independent Auditors – 2023 Financial Records

The Local Government Audit Law (Section 29-1-601 et seq., C.R.S.) requires Colorado local governments such as the Pikes Peak Library District (the District) to have an annual audit of their financial statements. The law states that the audit must be performed by an independent Certified Public Accountant, and be in accordance with Generally Accepted Accounting Standards.

The District completed a formal Request for Proposal process for auditing services related to the District's financial records in 2019/2020, and Forvis, LLP (formerly BKD, LLP) was selected as the District's independent auditors for financial fiscal years 2019 – 2023. The Internal Affairs Committee previously indicated they were pleased with the outcome of the 2022 audit, and that they expressed no concerns related to the work done by Forvis, LLP.

Attached is a copy of their Engagement Letter, which complies with the terms of their proposal, with an exception that the negotiated price increase in the 2023 audit fees, due to the challenges of the current economic conditions unforeseen in 2019, of 17.3%, from \$34,100 to \$40,000. With the price increase for the 2022 audit taken into account, the price increase from last year's adjusted audit fees was \$3,000, which represents a year over year change of 8.1%.

Recommendation

Management recommends Forvis's Engagement Letter be executed for their audit of PPLD's 2023 financial records at a fee of \$40,000, which represents the fifth year of the 5 year audit engagement.



111 S. Tejon Street, Suite 800 / Colorado Springs, CO 80903

P 719.471.4290 / F 719.632.8087

forvis.com

January 25, 2024

Dora Gonzales, Board President
Randall A. Green, Chief Financial Officer
Pikes Peak Library District
Library 21C
1175 Chapel Hills Drive
Colorado Springs, Colorado 80920

We appreciate your selection of **FORVIS, LLP** as your service provider and are pleased to confirm the arrangements of our engagement in this contract. Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience**.

In addition to the terms set forth in this contract, including the detailed **Scope of Services**, our engagement is governed by the following, incorporated fully by this reference:

- Terms and Conditions Addendum

Summary Scope of Services

As described in the attached **Scope of Services**, our services will include the following:

- Pikes Peak Library District
- Audit Services for the year ended December 31, 2023

You agree to assume full responsibility for the substantive outcomes of the contracted services and for any other services we may provide, including any findings that may result.

You also acknowledge these services are adequate for your purposes, and you will establish and monitor the performance of these services to ensure they meet management's objectives. All decisions involving management responsibilities related to these services will be made by you, and you accept full responsibility for such decisions.

We understand you have designated a management-level individual(s) to be responsible and accountable for overseeing the performance of nonattest services, and you have determined this individual is qualified to conduct such oversight.

Engagement Fees

The fee for our services will be \$40,000.

Our quoted fees, above, assume no substantial adjustments, internal control findings, delays or problems with unreconciled or inaccurate accounts. Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt. Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt. Our timely completion of services and the fees thereon depends on the assistance you provide us in accumulating information and responding to our inquiries. Inaccuracies or delays in providing this information or the responses may result in additional billings, untimely filings, or inability to meet other deadlines.

Assistance with New Standards

Assistance and additional time as a result of the adoption of the following new standards are not included within our standard engagement fees. These fees will be based on time expended and will vary based on the level of assistance and procedures required.

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for fiscal years beginning after June 15, 2022. Early application is encouraged.

Statement No. 96 addresses the accounting for the costs related to cloud computing agreements. Under this Statement, a government reports a subscription asset and subscription liability for agreements meeting the definition of a subscription-based information technology arrangement (SBITA) and to disclose essential information about the arrangement. We can assist you with the adoption by providing services which may include, but are not limited to:

- Assessing your readiness by assisting with the evaluation of your:
 - Current controls and policies
 - Current internal resources and system capabilities
- Assisting with changes required to adopt Statement No. 96, including:
 - Assisting with information gathering to develop an inventory of all SBITA agreements, service contracts, and other arrangements that may contain right-to-use IT assets
 - Recommending enhancements to existing controls and policies or suggesting new controls and policies to address Statement No. 96
 - Documenting any changes from your previous IT subscription recognition and reporting methods
 - Drafting the required disclosures

The time it will take to perform the above assistance and our additional audit procedures relating to the adoption of the Statement, and any time to assist you with the adoption, may be minimized to the extent your personnel will be available to provide timely and accurate documentation and information as requested by us.

Contract Agreement

Please sign and return this contract to indicate your acknowledgment of, and agreement with, the arrangements for our services including our respective responsibilities.

FORVIS,LLP

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services and Terms and Conditions Addendum**, on behalf of Pikes Peak Library District.

BY _____
Dora Gonzales, Board President

DATE _____

BY _____
Randall A. Green, Chief Financial Officer

DATE _____

Scope of Services – Audit Services

We will audit the governmental activities, each major fund, and the aggregate remaining fund information and related disclosures, which collectively comprise the basic financial statements for the following entity:

Pikes Peak Library District as of and for the year ended December 31, 2023

The audit has the following broad objectives:

- Obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- Expressing an opinion on the financial statements
- Issuing a report on your internal controls over financial reporting and compliance and other matters based on the audit of your financial statements in accordance with *Government Auditing Standards*

You have informed us that the audited financial statements are expected to be presented along with management’s annual comprehensive financial report (ACFR). Management is responsible for the other information included in the ACFR. The other information comprises the ACFR but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements will not cover the other information, and we will not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We will also express an opinion on whether the combining and individual fund financial statements and schedules (“supplementary information”) is fairly stated, in all material respects, in relation to the financial statements as a whole.

You agree to assume all management responsibilities and to oversee any nonattest services we will provide by designating an individual possessing suitable skill, knowledge, and/or experience. You acknowledge that nonattest services are not covered under *Government Auditing Standards*. You are responsible for:

- Making all management decisions and performing all management functions
- Evaluating the adequacy and results of the services performed
- Accepting responsibility for the results of such services
- Designing, implementing, and maintaining internal controls, including monitoring ongoing activities

Steven W. Sauer, Managing Director, is responsible for supervising the engagement and authorizing the signing of the report or reports.

We will issue a written report(s) upon completion of our audit(s), addressed to the following parties:

Entity Name	Party Name
Pikes Peak Library District	Board of Trustees

You are responsible to distribute our reports to other officials who have legal oversight authority or those responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.

The following apply for the audit services described above:

**Our
Responsibilities**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Uniform Guidance. Those standards require that we plan and perform:

- The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error
- The audit of compliance to obtain reasonable rather than absolute assurance about whether the entity(ies) complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each major federal award program

We will exercise professional judgment and maintain professional skepticism throughout the audit.

We will 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.

We will obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

We will 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.

We will also conclude, based on 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.

We will identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the entity's compliance with compliance requirements subject to audit and performing such other procedures as the auditor considers necessary in the circumstances.

We will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance, 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 the auditor identified during the audit.

Limitations & Fraud

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS 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. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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.

Our understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of your internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate contract to be signed by you and FORVIS.

Opinion

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 paragraph or other-matter paragraph(s) to our auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement.

If we discover conditions that may prohibit us from issuing a standard report, we will notify you. In such circumstances, further arrangements may be necessary to continue our engagement.

Your Responsibilities

Management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all information provided and for the following:

- **Audit Support** – to provide us with:
 - Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance, and component auditors) from whom we determine it necessary to obtain audit evidence
 - Information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
 - Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
 - Information about 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 the financials

- Identification and provision of 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
- Additional information that we may request for the purpose of the audit
- **Internal Control and Compliance** – for the:
 - Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - Alignment of internal control to ensure that appropriate goals and objectives are met; that management and financial information is reliable and properly reported; and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any federal award programs) applicable to the entity's activities is achieved
 - Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts, or other agreements reported by the auditor
 - Establishment and maintenance of processes to track the status and address findings and recommendations of auditors
- **Accounting and Reporting** – for the:
 - Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets
 - Adjustment of the financial statements to correct material misstatements and confirmation to us in the representation letter that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
 - Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (or other basis if indicated in the contract)
 - Inclusion of the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us
 - Distribution of audit reports to any necessary parties

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures, or other engagements that satisfy relevant legal, regulatory, or contractual requirements or fully meet other reasonable user needs.

Required Supplementary Information

Accounting principles generally accepted in the United States of America provide for certain required supplementary information ("RSI") to accompany the basic financial statements. We understand the following RSI will accompany the basic financial statements:

1. Management's Discussion and Analysis ("MD&A")
2. Budgetary comparison
3. Pension and Other Postemployment Benefit information

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Management is responsible for the fair presentation of the RSI. As part of our engagement, we will apply certain limited procedures to the RSI in GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

With regard to any supplementary information that we are engaged to report on:

- Management is responsible for its preparation in accordance with applicable criteria
- Management will provide certain written representations regarding the supplementary information at the conclusion of our engagement
- Management will include our report on this supplementary information in any document that contains this supplementary information and indicates we have reported on the supplementary information
- Management will make the supplementary information readily available to intended users if it is not presented with the audited financial statements

Such information is:

- Presented for the purpose of additional analysis of the financial statements
- Not a required part of the financial statements
- The responsibility of management
- Subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with GAAS

Written Confirmations Required

As part of our audit process, we will request from management and, if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this contract and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

**Peer Review
Report**

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract, upon request. If you would like a copy, please request from your engagement executive.

FORVIS, LLP Terms and Conditions Addendum

GENERAL

1. **Overview.** This addendum describes **FORVIS, LLP's** standard terms and conditions ("Terms and Conditions") applicable to Our provision of services to the Client ("You"). The Terms and Conditions are a part of the contract between You and FORVIS, LLP. For the purposes of the Terms and Conditions, any reference to "Firm," "We," "Us," or "Our" is a reference to FORVIS, LLP ("FORVIS"), and any reference to "You" or "Your" is a reference to the party or parties that have engaged Us to provide services and the party or parties ultimately responsible for payment of Our fees and costs.

BILLING, PAYMENT, & TERMINATION

2. **Billing and Payment Terms.** We will bill You for Our professional fees and costs as outlined in Our contract. Unless otherwise provided in Our contract, payment is due upon receipt of Our billing statement. Interest will be charged on any unpaid balance after 30 days at the rate of 10 percent per annum, or as allowed by law at the earliest date thereafter, and highest applicable rate if less than 10 percent. All fees, charges, and other amounts payable to FORVIS hereunder do not include any sales, use, excise, value-added, or other applicable taxes, tariffs, or duties, payment of which shall be Your sole responsibility, and do not include any applicable taxes based on FORVIS' net income or taxes arising from the employment or independent contractor relationship between FORVIS and FORVIS' personnel.

We reserve the right to suspend or terminate Our work for this engagement or any other engagement for nonpayment of fees. If Our work is suspended or terminated, You agree that We will not be responsible for Your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against You resulting from Your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of Our services.

Our fees may increase if Our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. Our engagement fees do not include any time for post-engagement consultation with Your personnel or third parties, consent letters and related procedures for the use of Our reports in offering documents, inquiries from regulators, or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

3. **Billing Records.** If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, We agree to make available to the Secretary of Health and Human Services, or to the U.S. Comptroller General, or any of their duly authorized representatives, such of Our books, documents, and records that are necessary to certify the nature and extent of Our services, until the expiration of four (4) years after the furnishing of these services. This contract allows access to contracts of a similar nature between subcontractors and related organizations of the subcontractor, and to their books, documents, and records.

4. **Termination.** Either party may terminate these services in good faith at any time for any reason, including Your failure to comply with the terms of Our contract or as We determine professional standards require. Both parties must agree, in writing, to any future modifications or extensions. If services are terminated, You agree to pay FORVIS for time expended to date. In addition, You will be billed costs and fees for services from other professionals, if any, as well as an administrative fee of five (5) percent to cover certain technology and administrative costs associated with Our services. Unless terminated sooner in accordance with its terms, this engagement shall terminate upon the completion of FORVIS' services hereunder.

DISPUTES & DISCLAIMERS

5. **Mediation.** Any dispute arising out of or related to this engagement will, prior to resorting to litigation, be submitted for nonbinding mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The mediator will be selected by agreement of the parties. The mediation proceeding shall be confidential. Each party will bear its own costs in the mediation, but the fees and expenses of the mediator will be shared equally.
6. **Indemnification.** Unless disallowed by law or applicable professional standards, You agree to hold FORVIS harmless from any and all claims which arise from knowing misrepresentations to FORVIS, or the intentional withholding or concealment of information from FORVIS by Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. You also agree to indemnify FORVIS for any claims made against FORVIS by third parties, which arise from any wrongful actions of Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. The provisions of this paragraph shall apply regardless of the nature of the claim.
7. **Statute of Limitations.** You agree that any claim or legal action arising out of or related to this contract and the services provided hereunder shall be commenced no more than one (1) year from the date of delivery of the work product to You or the termination of the services described herein (whichever is earlier), regardless of any statute of limitations prescribing a longer period of time for commencing such a claim under law. This time limitation shall apply regardless of whether FORVIS performs other or subsequent services for You. A claim is understood to be a demand for money or services, demand for mediation, or the service of suit based on a breach of this contract or the acts or omissions of FORVIS in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.
8. **Limitation of Liability.** You agree that FORVIS' liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the intentional or

willful misconduct of FORVIS or if enforcement of this provision is disallowed by applicable law or professional standards.

9. **Waiver of Certain Damages.** In no event shall FORVIS be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise.
10. **Choice of Law.** You acknowledge and agree that any dispute arising out of or related to this contract shall be governed by the laws of the State of Texas, without regard to its conflict of laws principles.
11. **WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**
12. **Severability.** In the event that any term or provision of this agreement shall be held to be invalid, void, or unenforceable, then the remainder of this agreement shall not be affected, and each such term and provision of this agreement shall be valid and enforceable to the fullest extent permitted by law.
13. **Assignment.** You acknowledge and agree that the terms and conditions of this contract shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.
14. **Disclaimer of Legal or Investment Advice.** Our services do not constitute legal or investment advice.

RECORDS, WORKPAPERS, DELIVERABLES, & PROPRIETARY INFORMATION

15. **Maintenance of Records.** You agree to assume full responsibility for maintaining Your original data and records and that FORVIS has no responsibility to maintain this information. You agree You will not rely on FORVIS to provide hosting, electronic security, or backup services, e.g., business continuity or disaster recovery services, to You unless separately engaged to do so. You understand that Your access to data, records, and information from FORVIS' servers, i.e., FORVIS portals used to exchange information, can be terminated at any time and You will not rely on using this to host Your data and records.
16. **FORVIS Workpapers.** Our workpapers and documentation retained in any form of media for this engagement are the property of FORVIS. We can be compelled to provide information under legal process. In addition, We may be

requested by regulatory or enforcement bodies (including any State Board) to make certain workpapers available to them pursuant to authority granted by law or regulation. Unless We are prohibited from doing so by law or regulation, FORVIS will inform You of any such legal process or request. You agree We have no legal responsibility to You in the event We determine We are obligated to provide such documents or information.

17. **Subpoenas or Other Legal Process.** In the event FORVIS is required to respond to any such subpoena, court order, or any government regulatory inquiry or other legal process relating to You or Your management for the production of documents and/or testimony relative to information We obtained or prepared incident to this or any other engagement in a matter in which FORVIS is not a party, You shall compensate FORVIS for all time We expend in connection with such response at normal and customary hourly rates and to reimburse Us for all out-of-pocket expenses incurred in regard to such response.
18. **Use of Deliverables and Drafts.** You agree You will not modify any deliverables or drafts prepared by Us for internal use or for distribution to third parties. You also understand that We may on occasion send You documents marked as draft and understand that those are for Your review purpose only, should not be distributed in any way, and should be destroyed as soon as possible.

Our report on any financial statements must be associated only with the financial statements that were the subject of Our engagement. You may make copies of Our report, but only if the entire financial statements (exactly as attached to Our report, including related footnotes) and any supplementary information, as appropriate, are reproduced and distributed with Our report. You agree not to reproduce or associate Our report with any other financial statements, or portions thereof, that are not the subject of Our engagement.

19. **Proprietary Information.** You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property are a material source of the services We perform and were developed prior to Our association with You. Any new forms, software, documents, or intellectual property We develop during this engagement for Your use shall belong to Us, and You shall have the limited right to use them solely within Your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which We make available to You are confidential and proprietary to Us. Neither You, nor any of Your agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than Your personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

REGULATORY

20. **U.S. Securities and Exchange Commission ("SEC") and other Regulatory Bodies.** Where We are providing services either for (a) an entity that is registered with the SEC, (b) an affiliate of such registrant, or (c) an entity or affiliate that is subject to rules, regulations, or standards beyond those of the American Institute of Certified Public Accountants ("AICPA"), any term of this contract that would be prohibited by or impair Our independence under applicable law or regulation shall not

apply to the extent necessary only to avoid such prohibition or impairment.

21. **Offering Document.** You may wish to include Our report(s) on financial statements in an exempt offering document. You agree that any report, including any auditor's report, or reference to Our firm, will not be included in any such offering document without notifying Us. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in that exempt offering document, will be a separate engagement.

Any exempt offering document issued by You with which We are not involved will clearly indicate that We are not involved by including a disclosure such as, "FORVIS, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this offering document."

22. **FORVIS Not a Municipal Advisor.** FORVIS is not acting as Your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, FORVIS is not recommending any action to You and does not owe You a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such matters with internal or external advisors and experts You deem appropriate before acting on any such information or material provided by FORVIS.
23. **FORVIS Not a Fiduciary.** In providing Our attest services, We are required by law and our professional standards to maintain our independence from You. We take this mandate very seriously and thus guard against impermissible relationships which may impair the very independence which You and the users of Our report require. As such, You should not place upon Us special confidence that in the performance of Our attest services We will act solely in Your interest. Therefore, You acknowledge and agree We are not in a fiduciary relationship with You and We have no fiduciary responsibilities to You in the performance of Our services described herein.

TECHNOLOGY

24. **Electronic Sites.** You agree to notify Us if You desire to place Our report(s), including any reports on Your financial statements, along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. You recognize that We have no responsibility to review information contained in electronic sites.
25. **Electronic Signatures and Counterparts.** This contract and other documents to be delivered pursuant to this contract may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this contract are intended to authenticate

this writing and to have the same force and effect as manual signatures. Delivery of a copy of this contract or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software, will have the same effect as physical delivery of the paper document bearing an original signature.

26. **Electronic Data Communication and Storage.** In the interest of facilitating Our services to You, We may send data over the internet, temporarily store electronic data via computer software applications hosted remotely on the internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, We employ measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with Our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that We have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by Us. You consent to Our use of these electronic devices and applications during this engagement.

OTHER MATTERS

27. **Cooperation.** You agree to cooperate with FORVIS in the performance of FORVIS' services to You, including the provision to FORVIS of reasonable facilities and timely access to Your data, information, and personnel. You shall be responsible for the performance of Your employees and agents.
28. **Third-Party Service Providers.** FORVIS may from time to time utilize third-party service providers, including but not limited to domestic software processors or legal counsel, or disclose confidential information about You to third-party service providers in serving Your account. FORVIS maintains, however, internal policies, procedures, and safeguards to protect the confidentiality and security of Your information. In addition, FORVIS will secure confidentiality agreements with all service providers to maintain the confidentiality of Your information. If We are unable to secure an appropriate confidentiality agreement, You will be asked to consent prior to FORVIS sharing Your confidential information with the third-party service provider.
29. **Independent Contractor.** When providing services to You, We will be functioning as an independent contractor; and in no event will We or any of Our employees be an officer of You, nor will Our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to You. Decisions regarding management of Your business remain the responsibility of Your personnel at all times. Neither You nor FORVIS shall act or represent itself, directly or by implication,

as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

30. **Use of FORVIS Name.** Any time You intend to reference FORVIS' firm name in any manner in any published materials, including on an electronic site, You agree to provide Us with draft materials for review and approval before publishing or posting such information.
31. **Praxity.** FORVIS is an independent accounting firm allowed to use the name "Praxity" in relation to its practice. FORVIS is not connected, however, by ownership with any other firm using the name "Praxity." FORVIS will be solely responsible for all work carried out on Your behalf. In deciding to engage FORVIS, You acknowledge that We have not represented to You that any other firm using the name "Praxity" will in any way be responsible for Our work.
32. **Entire Agreement.** The contract, including this Terms and Conditions Addendum and any other attachments or addenda, encompasses the entire agreement between You and FORVIS and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this contract must be made in writing and signed by both You and FORVIS.
33. **Force Majeure.** We shall not be held responsible for any failure to fulfill Our obligations if such failure was caused by circumstances beyond Our control, including, without limitation, fire or other casualty, act of God, act of terrorism, strike or labor dispute, war or other violence, explosion, flood or other natural catastrophe, epidemic or pandemic, or any law, order, or requirement of any governmental agency or authority affecting either party, including without limitation orders incident to any such epidemic or pandemic, lockdown orders, stay-at-home orders, and curfews.

Report on the Firm's System of Quality Control

November 30, 2023

To the Partners of FORVIS, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of FORVIS, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended May 31, 2023. 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 of 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.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of FORVIS, LLP applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended May 31, 2023, 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*. FORVIS, LLP has received a peer review rating of *pass*.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana

EISNERAMPER
LLP

