

AMENDED

AGENDA

SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY
DECEMBER 21, 2023 AT 12:30 PM
COMMISSION CHAMBERS AT CITY HALL
16 WEST 9TH STREET
SHAWNEE, OKLAHOMA

Official action can only be taken on items which appear on the agenda. The public body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the public body may refer the matter to Staff or back to Committee or the recommending body. Under certain circumstances, items are deferred to a future date or stricken from the agenda entirely.

CALL TO ORDER

DECLARATION OF QUORUM

1. Consideration of approval of the Minutes from the August 17, 2023 regular meeting.
2. Acknowledge the Schedule of Regular Meetings for 2024 for the Shawnee Civic and Cultural Development Authority.
3. Authorize the Shawnee City Manager to sign the Power of Attorney regarding the 2011 Chevrolet Tahoe.
4. Consideration of an Engagement Letter with Arledge and Associates, P.C. for audit services for the year ended December 31, 2022. *(Deferred from the August 17, 2023 regular meeting.)*
5. Discussion and update regarding the International Finals Youth Rodeo 2024.
6. Public Comments
7. Trustee Comments
8. Adjournment

Respectfully submitted,

A handwritten signature in blue ink that reads "Kacie Eck".

Kacie Eck, CMC
Senior Deputy City Clerk

The City of Shawnee encourages participation from its citizens in public meetings. If participation is not possible due to a disability, notify the City Clerk, in writing, at least forty-eight hours prior to the scheduled meeting, and necessary accommodations will be made. (ADA 28 CFR 36)

DRAFT

SHAWNEE CIVIC AND CULTURAL DEVELOPMENT AUTHORITY PROCEEDINGS

AUGUST 17, 2023 AT 12:30 PM

The Shawnee Civic and Cultural Development Authority of the City of Shawnee, County of Pottawatomie, State of Oklahoma, met in Regular Session in the Commission Chambers at City Hall, 16 West 9th Street, Shawnee, Oklahoma on, Thursday, August 17, 2023 at 12:30 PM, pursuant to notice duly posted as prescribed by law at 8:40 AM on Tuesday, August 15, 2023. Chairman Gilbert presided and called the meeting to order. Upon roll call, the following members were in attendance.

Randy Gilbert
Chairman

Tim Barrick
Trustee

Carl Packwood
Trustee

Absent
Trustee

Andrea Weckmueller-Behringer
Trustee

Vacant
Trustee

Vacant
Trustee

ABSENT: Lance Wortham

CALL TO ORDER

DECLARATION OF QUORUM

1. Consideration of approval of the Minutes from the June 15, 2023 regular meeting.

A motion was made by Trustee Barrick, seconded by Trustee Packwood, to approve the Minutes from the June 15, 2023 regular meeting. Motion carried 3-0-1.

AYE: Barrick, Packwood, Gilbert

NAY: None

ABSTAIN: Weckmueller-Behringer

2. Consideration of an Engagement Letter with Arledge and Associates, P.C. for audit services for the year ended December 31, 2022. *(Deferred from the June 15, 2023 regular meeting.)*

Chairman Gilbert explained that the City of Shawnee has assisted SCCDA in

the past with audit service expenses. He asked if the City was able to provide financial assistance this year for the annual audit. Secretary Weckmueller-Behringer explained that this expense was not in the City of Shawnee's budget; therefore, the City of Shawnee was not able to participate in the funding for the annual audit.

Chairman Gilbert questioned the ability of the SCCDA to have an audit due to a lack of financial resources. Secretary Weckmueller-Behringer explained that an audit was required. She recommended reaching out to Arledge and Associates regarding cost or contacting another firm for audit services.

A motion was made by Trustee Barrick, seconded by Trustee Packwood, to defer this item to a future Shawnee Civic and Cultural Development meeting. Motion carried 4-0.

AYE: Barrick, Packwood, Gilbert, Weckmueller-Behringer

NAY: None

3. Discussion regarding the mediation between the City of Shawnee, Pottawtomic County, and Shawnee Civic and Cultural Development Authority.

Chairman Gilbert questioned the status of the mediation. Trustee Barrick noted that at the last mediation meeting the Judge indicated that progress had been made. Secretary Weckmueller-Behringer explained that the City Attorney is scheduling a date with the Mediator to continue conversations.

4. Update regarding the 2023 International Finals Youth Rodeo.

Chairman Gilbert stated that the 2023 IFYR was a wonderful event and contestant numbers were up this year.

5. Public Comments

Mr. Rob Morris spoke during Public Comments.

6. Trustee Comments

There were no Trustee Comments.

7. Adjournment

There being no further action to be considered, a motion was made by Trustee Packwood, seconded by Trustee Barrick, that the meeting be adjourned. Motion carried 4-0. (12:55 p.m.)

AYE: Packwood, Barrick, Gilbert, Weckmueller-Behringer
NAY: None

RANDY GILBERT
CHAIRMAN

ATTEST:

ANDREA WECKMUELLER-
BEHRINGER
SECRETARY

2024 CALENDAR YEAR
SCHEDULE OF REGULAR MEETINGS
SHAWNEE CIVIC & CULTURAL DEVELOPMENT AUTHORITY

DATE		TIME	PLACE OF MEETING
01/18/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
02/15/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
03/21/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
04/18/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
05/16/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
06/20/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
08/15/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
09/19/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
10/17/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
11/21/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK
12/19/2024	Thursday	12:30 p.m.	City Hall Commission Chambers 16 West 9 th Street, Shawnee, OK

NAME: KACIE ECK, CMC

TITLE: Senior Deputy City Clerk

ADDRESS: P. O. Box 1448

Shawnee, OK 74802-1448

TELEPHONE: (405) 878-1605

Filed in the office of the Municipal Clerk at 4:41 a.m./(p.m.) on Nov. 28th, 2023.

Signed: 
Clerk/Deputy Clerk

POWER OF ATTORNEY

STATE OF OKLAHOMA
COUNTY OF POTTAWATOMIE

We, the Shawnee Civic And Cultural Development Authority, Oklahoma, Owner of the following motor vehicle:

2011 Chevrolet Tahoe, VIN 1GNSC4E02BR158541,

by this instrument constitute and appoint Oklahoma Municipal Assurance Group of Oklahoma County, my true and lawful attorney, for me and in my name to assign title to said motor vehicle and/or to execute all necessary written instruments in connection therewith and to whomsoever as may be designated by my said attorney.

Executed on this the _____ day of _____, 2023

Signed _____

Subscribed and Sworn to before me this _____ day of _____, 2023

Notary Public County State

SWORN STATEMENT IN PROOF OF LOSS (AUTOMOBILE)

Policy No. GLA140037407

OMAG Claim No. 214048-1-LR

Policy Period: 1/1/2023 to 1/1/2024

To: OKLAHOMA MUNICIPAL ASSURANCE GROUP

By the above numbered policy of insurance, you insured the **Shawnee Civic And Cultural Development Authority, Oklahoma** (hereinafter called the insured) against loss or damage to the automobile described as follows:

Model Year	Make	Type of Body	VIN No.
2011	Chevrolet	Tahoe	158541

Origin: A loss caused by Collision occurred on March 30, 2023, the full particulars of which are as follows: Vehicle damaged while in pursuit during high speed chase.

Title and Interest: The Insured was the sole owner of the automobile at the time of the loss or damage and no other person had any interest therein, by bailment lease, conditional sale, mortgage or other encumbrance or otherwise, except:

Other Insurance: At the time of this loss; there was no other insurance on said automobile covering the same perils except:

Use: At the time of this loss; the said automobile was being used for business and was not being used to carry passengers for compensation or rental or leased for any illegal purpose except:

Subrogation: The insured hereby covenants that no release has been or will be given to or settlement or compromise made with any third party who may be liable in damages to the Insured and the Insured in consideration of the payment made under this policy hereby subrogates the Said company to all rights and causes of action the said Insured has against any person, persons, or corporations whomsoever for damage arising out of or incident to said loss or damage to said property and authorizes said Company to sue in the name of the Insured but at the cost of the Company any such third party, pledging full cooperation in such action.

Cash Value	Deductible	Salvage	Amount Claimed Under This Policy
\$9,915.00	\$ 500.00	\$	\$9,415.00

The said loss did not originate by any act, design or procurement on my/our part nor on the part of anyone having interest in the property insured, or in the said policy of insurance; not in any consequence of any fraud or evil practice done or suffered by me/us and that no property saved has in any manner been concealed.

It is expressly understood and agreed that the furnishing of this blank or the preparation of proof by a Representative of the above insurance company is not a waiver of any of its rights.

MEMBER'S RELEASE

OMAG is hereby authorized and empowered to pay, at its option, as follows:

To _____ the sum of \$ _____

“WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.”

STATE OF _____

COUNTY OF _____
Development Authority

X _____, Shawnee Civic And Cultural

(Authorized City Official's signature) _____

Subscribed and sworn before me this _____ day of _____, 20____

Notary Public

April 17, 2023

To the Financial Oversight Committee of the
Shawnee Civic and Cultural Development Authority
P.O. Box 1466
Shawnee, OK 74802-1466

We are pleased to confirm our understanding of the services we are to provide The Shawnee Civic and Cultural Development Authority, Shawnee, Oklahoma ("the Authority"), a component unit of the City of Shawnee ("the City"), Oklahoma, for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of net position, statement of activities, statement of cash flows, and the disclosures, which collectively comprise the basic financial statements of the Authority as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS), if presented. 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 appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures but will not be audited. If management elects not to present the RSI our report will include a paragraph describing its omission.

1) Management's Discussion and Analysis

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. 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 of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Authority and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether

the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures-Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.



Other Services

We will also assist in preparing the financial statements and related notes of the Authority in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements 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 of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

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



Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Arledge & Associates, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Arledge & Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the regulatory body. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Kency Duarte, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for services will be \$18,000. This fee assumes that the client will be ready with our request list prior to July 31st, 2023. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Because our Engagement Letter provides ongoing access to the accounting and business advice you need on a fixed-price basis, you are not inhibited from seeking timely advice from us. While the fixed price for the services entitles you to unlimited consultation with us, if your questions or issues require additional research and analysis beyond consultation, that work will be subject to an additional price negotiation before the service to be performed, an Addendum to the Engagement Letter will be issued before delivery of the additional services will be performed, with payment terms agreed to in advance. By virtue of signing this document, you have indicated that your reporting entity has been appropriately defined, all trial balances will be reasonably adjusted, your key accounts will be reconciled, unusual transactions, significant financial estimates and disclosures have been communicated to us prior to the date at the top of this letter.

To the extent that you utilize outside consultants to supplement your accounting and finance department and produce various schedules and reports, please note that by virtue of signing this document you have indicated that their work will be timely and reliable. Should we find that their work is other than timely and/or reliable, we will negotiate an Addendum to the Engagement Letter and determine a new engagement fee and payment arrangement before we issue our final report.

Reporting

We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board of Trustees of the Authority. 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 a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions 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 issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could



have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Cost of Consequential Damages

Any liability of Arledge & Associates, P.C. and its personnel to the Authority is limited to the amount of the annual fee the Authority paid for this audit engagement as liquidated damages.

The Authority agrees that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if both Arledge & Associates, P.C. and the Authority agrees to be bound. Arledge & Associates, P.C. and the Authority will share any cost of mediation equally.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Arledge & Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of the Shawnee Civic and Cultural Development Authority.

Signature: _____

Title: _____