

CHICKASHA MUNICIPAL AIRPORT AUTHORITY

AGENDA
LOCATION OF MEETING
CITY HALL COUNCIL CHAMBERS
117 NORTH FOURTH STREET
CHICKASHA, OKLAHOMA 73018

TIME OF MEETING
6:30 PM

DATE OF MEETING
MAY 4, 2026

All items on this agenda, including but not limited to any agenda item concerning the adoption of any ordinance, resolution, contract, agreement, or any other item of business, are subject to amendment, including additions and/or deletions. This rule will apply to every individual agenda item without exception, and without providing this same amendment language with respect to each individual agenda item. Such amendments should be rationally related to the topic of the agenda item, or the governing body will be advised to continue the item.

The governing 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 governing body may refer the matter to its City/Trust Manager, staff, attorney or to the recommending board, commission or committee.

- 1. Call to Order / Roll Call.**

- 2. Consent Docket:**
 - a. Acceptance of the Minutes of the April 20, 2026, regular meeting.
 - b. Acceptance of the Claims List.
 - c. Approval of an agreement with Medallion Mint authorizing the use of a Medallion Dispensing Machine at Wings & Wheels and authorize the Mayor to execute the same.
 - d. Accept and ratify action to engage HSPG & Associates, LLC to perform the City of Chickasha's audit services for FY25 and FY 26 and authorize Mayor to execute the same.

- 3. Discussion/Approval of Items Removed from Consent Docket:**

4. Motion for Adjournment.

CHICKASHA

Meeting Type: CMAA Agenda 5-4-2026

Meeting Date: 5/4/2026

Department: City Clerk

Agenda Item No. 2.a.

AGENDA ITEM: Acceptance of the Minutes of the April 20, 2026, regular meeting.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director:	Fund	Account	Amount
Susan M. McDaniel, CMC-City Clerk	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date:	(From)		
May 4, 2026			

V. ATTACHMENTS:

1. CMAA 4-20-2026

April 20, 2026

The **REGULAR** meeting of the **CHICKASHA MUNICIPAL AIRPORT AUTHORITY** was held in the council chambers in city hall on the 20th day of April 2026 as specified by advance public notice with a properly prepared agenda stating the subject matter or matters to be discussed at said meeting. Chairman Grayson called the meeting to order at 7:15 p.m.

ITEM 1. **Call to Order / Roll Call:**

CHAIRMAN AND TRUSTEES

PRESENT: Zachary Grayson, Chairman
Georgianne Hebblethwaite, Vice Chairman
Lisa Hatchett
Kim Irving
Kea Ginn
Kelly Boyd
Erica Alexander
Rockey Talley
Clark Southard

ABSENT: None.

STAFF

PRESENT: Jim Crosby, City Manager
Amanda Mullins, City Attorney
Susan M. McDaniel, City Clerk
G. Music, Police Chief
Tony Samaniego, Fire Chief
Rich Edwards, Finance Director
Jessica Green, Community Development Director
Lillie Huckaby, Library Director
Omar Fierro, Public Works Director
Andy Conyers, Parks & Rec Director

ITEM 2. **Consent Docket: ITEM 2a – ITEM 2c.**

ITEM 2a. **Acceptance of the Minutes of April 6, 2026, regular meeting.**
ITEM 2b. **Accept of the Claims List.**
ITEM 2c. **Acknowledge receipt of the Financials for March 2026.**

*Motion by Trustee Alexander, second by Trustee Hatchett to approve Items 2a – 2c.

Roll call vote:

Ayes:” Hatchett, Irving, Ginn, Hebblethwaite, Boyd, Alexander, Talley, Southard, and Grayson.

“Nays:” None

“Abstain:” None

Motion passed. 9-0

ITEM 3. Discussion / Approval of Items Removed from Consent Docket:

No Action Taken.

ITEM 4. Motion to Adjourn.

*Motion by Trustee Southard, second by Trustee Hatchett to adjourn.

Meeting adjourned.

TIME: 7:16 PM

Approved this 4th day of May 2026.

Zachary Grayson, Chairman

(ATTEST)

Susan M. McDaniel, CMC
City Clerk

CHICKASHA

Meeting Type: CMAA Agenda 5-4-2026

Meeting Date: 5/4/2026

Department: Finance

Agenda Item No. 2.b.

AGENDA ITEM: Acceptance of the Claims List.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director: Rich Edwards, Finance Director	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: May 4, 2026	(From)		

V. ATTACHMENTS:

CHICKASHA

Meeting Type: CMAA Agenda 5-4-2026

Meeting Date: 5/4/2026

Department: Administration

Agenda Item No. 2.c.

AGENDA ITEM: Approval of an agreement with Medallion Mint authorizing the use of a Medallion Dispensing Machine at Wings & Wheels and authorize the Mayor to execute the same.

I. BACKGROUND/DESCRIPTION:

We will be purchasing commemorative coins for Wings & Wheels. Some will be given to sponsors, and event attendees will have the opportunity to purchase their own commemorative coin at the event from the Medallion Mint machines. We are working with Medallion Mint to design the coins that will be in the machines. There is no cost to use the machine, only the purchase of the coins. The machine will be at the City Booth during the event. They will drop it off the day before the event and pick it up at the conclusion of the event. This agenda item is requesting approval of the terms of the usage agreement for the Medallion Dispensing Machine.

II. RECOMMENDED ACTION:

Approve an agreement with Medallion Mint authorizing the use of a Medallion Dispensing Machine at Wings & Wheels and authorize the Mayor to execute the same.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

	Fund	Account	Amount
Dept. Director: Shae Mortimer, Marketing Director	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: May 4, 2026	(From)		

V. ATTACHMENTS:

1. MEDALLION DISPENSING MACHINE AGREEMENT-WINGS AND WHEELS

Medallion Mint

Medallion Mint L.L.C. 1410 Hwy 62 East, Chickasha, OK 73018
Phone: 405-222-1133 www.medallionmint.com

MEDALLION DISPENSING MACHINE AGREEMENT

This Medallion Dispensing Machine Agreement (the "Agreement") is entered into between Medallion Mint, LLC, located at 1410 Hwy 62, Chickasha, Oklahoma 73018 ("MM"), and Wings and Wheels Event, located at 2344 Beechcraft Rd, City of Chickasha, State of OK, Zip 73018 ("SITE").

Medallion Mint LLC owns Medallion Dispensing Machine(s) referred to as PROPERTY, and manufactures coins, also referred to as Medallions, and SITE desires to sell MM coins through the use of a MM Medallion Dispensing Machine as described in EXHIBIT A to be located specifically at city booth at event, subject to the following terms and conditions:

1. Term of Agreement

~~Initial Term. This Agreement begins on the date it is signed by both parties and continues for sixty (60) months beginning on the date this agreement is signed, provided SITE continues to meet the minimum coin purchase requirements stated in this Agreement.~~

~~Renewal. After the initial term, this Agreement will automatically renew for additional periods of sixty (60) months unless either party provides written notice of non-renewal at least ninety (90) days before the end of the then-current term. Notice may be delivered by certified mail or by email with confirmation of receipt.~~

2. Ownership of Equipment

The PROPERTY is, and will remain, and always shall be deemed to be, the sole and exclusive property of MM, and SITE has no right of PROPERTY therein. The PROPERTY shall not be moved to any other location, transferred or delivered, to any other person or corporation without prior written consent or instruction of MM, and neither this agreement nor the PROPERTY may be assigned by SITE, either by SITE's own act or by operation of law.

3. Insurance and Repairs

SITE Insurance. SITE shall maintain commercial property insurance covering risks including vandalism, fire, and flooding, with coverage limits of not less than \$1,000,000.

MM shall maintain general liability insurance covering the PROPERTY, provided SITE supplies annually:

- A photo of the PROPERTY in its installed location;
- A photo of the building where the PROPERTY is located;
- A clear photo of the meter box showing current meter numbers.

Initials _____

1 of 6

Medallion Mint

Medallion Mint L.L.C. 1410 Hwy 62 East, Chickasha, OK 73018
Phone: 405-222-1133 www.medallionmint.com

If SITE fails to provide the required photographs or fails to comply with such requirements, MM shall have no obligation to provide insurance coverage, and SITE shall assume full responsibility and liability for any and all claims, damages, losses, or expenses arising out of or related to the PROPERTY while located on SITE's premises. In such event, SITE agrees to indemnify, defend, and hold harmless MM from and against any such claims.

Repairs: MM will provide technical support and replacement parts at no charge for normal wear and tear. Repairs required due to misuse, abuse, negligence, or vandalism will be invoiced to SITE.

4. Placement, Use, and Routine Care

Approved Location. The PROPERTY shall remain indoors at the Approved Machine Location.

Condition on Receipt. SITE's acceptance or continued use of the PROPERTY confirms it was received in good working order.

Relocation of PROPERTY. SITE shall not move, relocate, or permit the PROPERTY to be moved to any other location without MM's prior written consent. Any proposed relocation must be submitted to MM in writing, or email, and approved by MM in advance. As a condition of such approval, SITE shall provide updated photographs of the new location in accordance with the requirements set forth in Section 3 of this Agreement. Any relocation without MM's prior written approval shall constitute a material breach of this Agreement.

Care and Maintenance by SITE. SITE agrees to:

- Keep the PROPERTY in a clean, safe, and dry indoor environment;
- Avoid exposure to water, excessive moisture, or damaging cleaning methods;
- Perform reasonable routine care, including cleaning and restocking coins.

5. Exclusive Coin Supply

Exclusive Supplier. SITE agrees that all coins dispensed through the PROPERTY shall be purchased exclusively from MM during the term of this Agreement.

No Third-Party Coins. SITE shall not purchase or use coins from any other supplier for dispensing in the PROPERTY.

6. Coin Orders and Pricing

one time event

~~Minimum Annual Purchase. MM shall provide the PROPERTY at no charge provided SITE purchases a minimum of 500 coins per design per calendar year, exclusively from MM, for use in the PROPERTY.~~

~~Ordering Lead Time. SITE shall provide at least four (4) weeks advance notice when placing coin reorders.~~

Initials _____

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Medallion Mint

Medallion Mint L.L.C. 1410 Hwy 62 East, Chickasha, OK 73018
Phone: 405-222-1133 www.medallionmint.com

Payment Terms.

- Initial order: a deposit of 50% may be required, with the remaining balance plus shipping due thirty (30) days after shipment.
- Subsequent orders shall be invoiced net thirty (30) days from shipment date.
- Late payments may incur a late fee of 10%, not to exceed amounts permitted by law.

Pricing Adjustments. Coin prices may be adjusted based on changes in metal market prices, from the Wieland published daily metal price list or other acceptable market pricing index in the event that the Wieland published daily metal price list no longer exists. MM shall provide reasonable advance notice of price changes.

Artwork and Dies. All artwork, dies, and related materials remain the property of MM. Any SITE-requested changes to artwork, dies, branding, or signage must be approved by both SITE and MM and shall be paid by SITE.

7. Other Medallion Machines

SITE agrees that, during the term of this Agreement, MM's machine(s) shall be the exclusive medallion dispensing machines on SITE's premises, excluding traditional penny-press machines, unless otherwise approved in writing by MM.

8. Sales Revenue and Taxes

Revenue. SITE shall collect and retain all revenue generated by the PROPERTY.

Taxes and Fees. SITE is solely responsible for all applicable sales taxes, property taxes, permits, licenses, and fees related to the operation of the PROPERTY.

9. Sales Reporting

~~Monthly Reports. SITE shall submit a monthly sales report based on the PROPERTY's internal meter readings by email or through www.my.medallionmint.com.~~

~~Failure to Report. If SITE fails to submit reports for three (3) consecutive months, MM may charge an administrative fee of \$200.00 per missed month, after providing written notice and an opportunity to cure.~~

10. Confidentiality and Proprietary Rights

Confidential Information. The PROPERTY contains proprietary and confidential information, including non-public internal mechanisms, designs, and technical processes.

Restrictions. SITE agrees not to: Allow unauthorized third-party access to the PROPERTY; Disclose MM's confidential information; Copy, modify, or reverse engineer the PROPERTY; SITE, SITE's employees, former employees under contract during the terms of this agreement, shareholders, friend, relative, or acquaintance shall not replicate, copy, or assist in

Initials _____

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Medallion Mint

Medallion Mint L.L.C. 1410 Hwy 62 East, Chickasha, OK 73018
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copying the proprietary design or internal mechanisms of the PROPERTY, or participate in the manufacture or acquisition of any vending style machine for medallions for a period of sixty (60) months after the return of the PROPERTY.

Limited Non-Competition. During the term of this Agreement and for sixty (60) months after return of the PROPERTY, this non-competitive restriction shall be applicable to competing coin dispensers but does not prohibit SITE from operating or hosting unrelated vending or unrelated souvenir equipment.

11. Termination

Termination for Cause. Either party may terminate this Agreement upon written notice if the other party materially breaches the Agreement and fails to cure such breach within seventy-two (72) hours of receiving notice.

Termination Without Cause by MM. MM may terminate this Agreement without cause by providing at least thirty (30) days prior written notice to SITE.

Return of PROPERTY. Upon termination for any reason: SITE shall make the PROPERTY available for return to MM; SITE shall be responsible for all reasonable return shipping and crating costs; SITE shall be responsible for repair costs for shipping damages beyond normal wear and tear upon the return of PROPERTY.

12. Limitation of Damages

If SITE materially breaches the exclusive coin supply obligations, MM may recover actual, documented damages directly resulting from the breach. The parties agree that damages shall be commercially reasonable and not punitive in nature.

13. Force Majeure

Neither party shall be liable for failure or delay in performance caused by events beyond reasonable control, including natural disasters, fire, flood, government orders, or labor disruptions.

14. Governing Law and Venue

This Agreement shall be governed by the laws of the State of Oklahoma, and any legal action shall be brought in the courts located in Grady County, Oklahoma.

15. Entire Agreement

This Agreement represents the entire understanding between the parties and supersedes all prior agreements or discussions. Any amendment must be in writing and signed by both parties.

Initials _____

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Purchase Coins
Inside Machine
Loaner Program
01-2026

Medallion Mint

Medallion Mint L.L.C. 1410 Hwy 62 East, Chickasha, OK 73018
Phone: 405-222-1133 www.medallionmint.com

SITES's Signature _____ Title _____
(Printed Signature) _____ Date: _____

Witness: _____ Title: _____
(Printed Signature) _____ Date: _____

Medallion Mint Representative _____ Title: _____
(Printed Signature) _____ Date: _____

Initials _____

Medallion Mint

Medallion Mint L.L.C. 1410 Hwy 62 East, Chickasha, OK 73018
Phone: 405-222-1133 www.medallionmint.com

EXHIBIT A

Machine included in Agreement as of _____, 2026:

<u>Machine Type</u>	<u>Selection</u>
1. Mini Pro (2 coin)	<input checked="" type="checkbox"/> Event only June 6, 2026
2. Classic (4 coin)	<input type="checkbox"/>
3. Classic (8 coin)	<input type="checkbox"/>
4. Pro (4 coin)	<input type="checkbox"/>
5. Pro (8 coin)	<input type="checkbox"/>
6. Elite (4 coin)	<input type="checkbox"/>
7. Elite (8 coin)	<input type="checkbox"/>

This Exhibit may be updated as necessary when PROPERTY is relocated within a venue, additional locations are added, locations are removed, or a machine is updated.

SITES's Signature _____ Title _____

(Printed Signature) _____ Date: _____

Medallion Mint Representative _____ Title: _____

(Printed Signature) _____ Date: _____

Initials _____

CHICKASHA

Meeting Type: CMAA Agenda 5-4-2026

Meeting Date: 5/4/2026

Department: Finance

Agenda Item No. 2.d.

AGENDA ITEM: Accept and ratify action to engage HSPG & Associates, LLC to perform the City of Chickasha's audit services for FY25 and FY 26 and authorize Mayor to execute the same.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

Accept and ratify action to engage HSPG & Associates, LLC to perform the City of Chickasha's audit services for FY25 and FY 26 and authorize Mayor to execute the same.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director:	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: May 4, 2026	(From)		

V. ATTACHMENTS:

1. Chickasha engagement letter-2025 and 2026



April 24, 2026

To the City Council and management of
The City of Chickasha, Oklahoma

We are pleased to confirm our understanding of the services we are to provide for the City of Chickasha, Oklahoma (the “City”) for the years ended June 30, 2025 and 2026.

Audit Scope and Objectives

We will audit the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the City as of and for the years ended June 30, 2025 and 2026.

We have also been engaged to report on supplementary information that accompanies the City’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards (“GAAS”), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor’s report on the financial statements.

- 1) Schedule of expenditures of federal and state awards (modified cash basis), if necessary
- 2) Combining schedules (modified cash basis)

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or 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.

- 1) Management’s discussion and analysis
- 2) Budgetary comparison information (modified cash basis)

The objectives of our audits are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting, which is an other comprehensive basis of accounting other than generally accepted accounting principles (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.

HSPG & ASSOCIATES, PC

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*.
- If necessary, internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audits in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and if necessary, the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, 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 audits 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 or noncompliance 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 or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come 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. If necessary, we will include such matters in the reports required for a Single Audit. 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.

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 individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Revenue recognition
- Management override of controls

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

As required by the Uniform Guidance, we will, if necessary, perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

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 audits, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and, if necessary, the Uniform Guidance.

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 City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

If a single audit is necessary, the Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance

Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audits will be conducted on the basis that you acknowledge and understand your responsibility for (1) 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, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) 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, schedule of expenditures of federal awards, and all accompanying information in conformity with the modified cash basis of accounting and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us, for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). 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) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance if required; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audits, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the 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. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance if necessary. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards.

You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the modified cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the modified cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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 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 or other confirmations we request and will locate any documents selected by us for testing.

If required, at the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification.

The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

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. With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

The audit documentation for this engagement is the property of HSPG & Associates 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 a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of HSPG & Associates 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 an outside regulator. If we are aware that a federal awarding agency, pass-through entity, 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.

Andy Cromer is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our fiscal 2025 audit by July 13, 2026, and issue our report by September 30, 2026. This deadline is contingent upon the City's accounts being properly reconciled and the timely assistance and turnaround of requests by the City or its consultants. We will not be responsible for any failure to meet this deadline to the extent it is caused by the City or its consultants.

Our base fee for the financial statement audits will be \$54,250 and \$56,000 for fiscal 2025 and 2026, respectively. However, to assist the City in meeting its deadline for filing its audit, we have reassigned team members to your engagement that were not originally contemplated. Therefore, we will also bill the City an additional \$25 per hour for engagement team members designated as manager or above, except that such additional fees will not exceed \$12,000. Additionally, if a single audit is required, our fee will be an additional \$9,000 for each major program. These fees include our miscellaneous charges, such as travel and meals. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Reporting

We will issue written reports upon completion of our audits. Our reports will be addressed to the City Council and management of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audits. 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.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance, and (2) 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. If required, the Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the City 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 a copy of this letter and return it to us.

Sincerely,

HSPG & Associates, P.C.

HSPG & Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of the City of Chickasha, Oklahoma .

Management signature: _____

Title: _____

Governance signature: _____

Title: _____