



Hyalite Rural Fire District


Board Meeting Synopsis Approval Form

The written synopsis of the July 20, 2021 Hyalite Rural Fire District (HRFD)
Board of Trustees Regular Board Meeting was approved by motion of the HRFD Board of
Trustees on August 17, 2021.


Chair Signature

Eugene M. Geddes, III

Printed Name


Secretary Signature

Ken Beideman

Printed Name

**HYALITE RURAL FIRE DISTRICT
BOARD OF TRUSTEES REGULAR PUBLIC MEETING
SYNOPSIS**

DATE: JULY 20, 2021

TIME: 7:00 p.m.

LOCATION: Rae Fire Station, 5400 Gooch Hill Rd., Bozeman, Montana

In compliance with [MCA 2017 2-3-212](#) and the Hyalite Rural Fire District Bylaws, the minutes of HRFD Board of Trustees open public meetings are comprised of an audio recording and a written synopsis. The audio recording is designated as the official record of a meeting. The written synopsis serves to assist the public in accessing portions of the audio recording and is a good faith attempt to provide the public with another method to be informed about the actions of the Board. The minutes are available to the public at www.hyalitefire.org/board-meeting-minutes/ or at the Hyalite Rural Fire District Administrative Offices, 4541 S. 3rd Rd., Bozeman, MT, during its standard business hours.

TRUSTEES IN ATTENDANCE:

Pete Geddes
Justin Miller
Ken Beideman
Justin Jarrett

STAFF IN ATTENDANCE:

Brian Nickolay, Fire Chief
Sheryl Wyman, Administrative Assistant

PUBLIC IN ATTENDANCE:

Cameron Ash, Vol Firefighter
Alex Phillips, Vol Firefighter
Ryan Pierce, Vol Firefighter

0:00:00	CALL TO ORDER OF HYALITE RURAL FIRE DISTRICT Chair Geddes called the meeting to order and determine there was no public comment on non-agenda items. HYALITE CONSENT AGENDA Chair Geddes asks if there are any requests to pull anything from the Consent Agendas. None given. Motion: Chair Geddes asks for a motion to approve the consent agenda. Trustee Miller moves to approve the consent agenda. Trustee Beideman seconded the motion. Vote: Jarrett-Aye, Beideman-Aye; Miller-Aye; Geddes-Aye. Unanimous approval.
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	<i>[See June 15, 2021 Board Packet for Consent Agenda items Approved]</i>
	REGULAR AGENDA
0:00:42	<p>Agenda Item 1 – Selecting Annual Audit Preparation Bid</p> <p>Chair Geddes spoke with Trustee Zidack regarding the bids. A couple of bids were received and Trustee Zidack suggested to take the low bid.</p> <p>Chair Geddes asks for board discussion. Chief Nickolay also spoke with Trustee Zidack and felt either company would do a good job and to take the low bid.</p> <p>Chair Geddes asks for public comment – None given. Chair Geddes asks for more board discussion – None given.</p> <p>Motion: Trustee Jarrett moves the board approve to accept the low bid for audit services</p> <p>Trustee Miller seconded the motion.</p> <p>Vote: Jarrett-Yes, Beideman-Yes; Miller-Yes; Geddes-Yes. Unanimous approval.</p> <p><i>[See Attachment A and B for Audit Proposals]</i></p>
0:01:37	<p>Agenda Item 2 - Discussion and Decision – Capital Improvement – Paving at Cottonwood Fire Station</p> <p>Chief Nickolay gives background on bids received for paving the area around Cottonwood Station. An additional bid was received for a 4” paving. The bid came back about double of the 3” paving bid.</p> <p>Trustee Miller asks about the cost of using concrete. Trustee states if the spec is the same as the Sourdough station to use that spec. More board discussion is held. Suggestions are made to delay the project until more bids are received from other companies.</p> <p>The board decides to have the Chief receive two bids for asphalt and a bid using concrete.</p> <p><i>[See Attachment C and D for Asphalt Paving Bids]</i></p>
0:12:29	<p>Agenda Item 3 – Fire Chief’s Report</p> <p>Chief Nickolay asks the board if they are still interested in the transport call numbers charts. Chair Geddes provides background of the ambulance committee’s work and that the chart would be missed and should be continued to be presented with the Fire Chief’s report.</p>

<p>18:00</p>	<p>Chief Nickolay points out we have had 330 calls to date which is significantly higher this year. For future Fire Chief's Reports, a comparison will be made for calls from year to year.</p> <p>Resident programs are full. One of the residents, Alex Richard, has recently been hired by the Great Falls Fire Department and has moved out. Another firefighter has moved into Sourdough in his place.</p> <p>Trainings going as usual. Burning was closed at end of June and County has instituted a burn ban for the county.</p> <p>Final job offers were given and accepted for the Assistant Fire Chief and Training Captain. Chris Dahlhauser will start Monday, July 26th as the Assistant Fire Chief and Mac Malone will start on August 18th.</p> <p>Two firefighters took the DNRC truck to the Robertson Fire to help out.</p> <p>There is a change in the amounts in the Fire Chief's report regarding the Cares Act funding. We received a total amount of \$303,000. Approximately \$100,000 has been spent towards the new ambulance transport project. A proposal will be provided next month to use that money towards the transport project.</p> <p>The floor has been refinished at the Cottonwood Fire Station, and looks good.</p> <p>Sound tests have been performed at the Sourdough Station and we are waiting on the results.</p> <p>There was an incident at the Rae Station where a bay door malfunctioned and did not open fully when a truck was being deployed and the door was damaged. The board directs the Fire Chief to buy two doors for the Rae Station.</p> <p>The ambulance has been delayed due to not being able to get a Ford transit. The end of August is the new projected date but doubtful that will happen. A running item will be included in the Chief's report to keep everyone updated. More discussion is held regarding the transport project.</p> <p>Trustee Jarrett makes comments regarding operational concerns and budgets.</p> <p>Solar Project is completed and the grant money received from Northwestern Energy.</p> <p>Discussion is held regarding fire service resources and needs and the short supply in the State.</p> <p><i>[See Attachment E – Fire Chief's Report]</i></p>
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0:34:59	Trustees' Activities None
	Announcements <ul style="list-style-type: none"> • Next board meeting set for August 17, 2021 at the Sourdough Station.
0:35:44	ADJOURNMENT A tour was held of the Rae Fire Station and Residence.

PROPOSAL FOR INDEPENDENT AUDIT

HYALITE RURAL FIRE DISTRICT

For the year ending June 30, 2021

Submitted by:
Amatics CPA Group
45 Discovery Drive
Bozeman, MT 59718

Morgan Scarr, CPA
Audit Shareholder
(406) 404-1925



AMATICS
CPA GROUP

HYALITE RURAL FIRE DISTRICT
Audit Proposal



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**AMATICS**
CPA GROUP45 Discovery Dr.
Bozeman, MT 59718P 406.404.1925
F 406.404.1926

April 12, 2021

Brian Nickolay, Interim Fire Chief
Hyalite Rural Fire District
4541 S 3rd Rd
Bozeman, MT 59715

Fire Chief Nickolay,

Thank you for the opportunity to submit this proposal for independent audit services for Hyalite Rural Fire District for the year ending June 30, 2021, with the option for auditing the two subsequent years. We are confident that our experience has prepared us to perform these services with the highest level of efficiency and provide you with a high-quality, valuable service.

At Amatics CPA Group, we are dedicated to developing an audit plan that is tailored to Hyalite Rural Fire District. Our understanding of the services to be performed is as follows:

- An independent annual audit of Hyalite Rural Fire District's financial statements for the year ending June 30, 2021, with the option for auditing the subsequent two years
- Audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards
- We understand the audit is to be presented to the Board of Trustees no later than December 2021, with the audit submitted to the Montana Department of Administration no later than December 31, 2021
- Financial statements, footnotes, and depreciation schedule will be prepared by separately hired CPA and are not covered under this audit proposal

Our practice is built on performing quality work in a professional and effective manner. We are confident that you will be pleased with our dedication to you as a client and our commitment to service throughout the year.

We would welcome the opportunity to discuss our proposal with you in person and to answer any questions from you and your Board of Directors. We look forward to the possibility of serving your District and appreciate the opportunity to submit a proposal.

Sincerely,

Amatics CPA Group

Morgan Scarr, CPA
Shareholder

FIRM PROFILE AND QUALIFICATIONS

Amatics CPA Group personnel have worked to build a reputation as a leader in the Montana accounting industry, based on our commitment to quality work and our drive to provide exceptional client service. We strive to understand your organization's changing needs and to provide services to help your organization achieve its goals.

The Amatics office is located in Bozeman and consists of 22 employees, including 12 CPAs. We offer a wide range of services including audits, reviews, compilations, agreed-upon procedures, consulting, tax planning and preparation, business valuations, bookkeeping, and payroll.

We have extensive experience in working with governmental organizations, performing audits, reviews, compilations, and consulting. We have worked with governmental entities with a variety of revenue sources, internal control systems, levels of staffing, and governance structures. We are able to draw from our experience with these entities to provide you with valuable suggestions and services.

In order to maintain the highest professional standards, we emphasize continuing professional education to keep all professionals up-to-date on accounting and auditing developments. Our audit and attestation staff attend multiple annual accounting and auditing updates each year. As a firm, we are committed to providing our personnel with the continuing professional education opportunities necessary for them to not only fulfill responsibilities assigned to them during an engagement, but also to succeed within the firm.

Our Amatics audit committee meets regularly to discuss upcoming standards and to proactively plan how to help prepare our clients to implement any necessary changes.

Additionally, we encourage staff to become involved in local organizations through volunteering, nonprofit board participation, professional clubs and affiliations, and industry groups. This allows staff and our firm to gain broader exposure to other organizations' operations and to leverage that experience to provide more valuable ideas and information to our clients.

Amatics CPA Group is licensed to practice in Montana and approved by the Montana Department of Administration. We are listed on the Department's roster of independent auditors authorized to conduct audits of Montana local government entities. We follow all professional standards and are qualified to perform these audit services. We are a member of the American Institute of Certified Public Accountants (AICPA) and adhere to all AICPA professional standards of audit practices and conduct.

We are independent, as established by the AICPA, with respect to Hyalite Rural Fire District.

REFERENCES

We are proud of our reputation for quality client service. We encourage you to contact any of our references and ask about their experiences working with Amatics CPA Group.

Hebgen Basin Fire District
<i>Government auditing standards</i> <i>Special purpose district</i>
Shane Grube, Fire Chief sgrube@hbrfd.com (406) 646-9094

Four Corners County Water and Sewer District
<i>Government auditing standards</i> <i>Special purpose district</i>
Amy Ellingson amy@fcwsd.org (406) 585-4166

Big Sky Resort Area District
<i>Government auditing standards</i> <i>Special purpose district</i>
Daniel Bierschwale, Executive Director daniel@resorttax.org (406) 995-3234

City of Belgrade, Montana
<i>Government auditing standards</i> <i>Single audit in applicable years</i>
Diane Eagleson, Finance Director deagleson@cityofbelgrade.net (406) 388-3762

Other references available upon request.

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ENGAGEMENT PERSONNEL

AUDIT TEAM	
Morgan Scarr, CPA Audit Shareholder	Justin Gerber, CPA Technical Reviewer
Kaylee Vachon, CPA Audit Senior	Audit Staff

The audit engagement will be planned and managed by Morgan Scarr, a shareholder with more than 14 years of audit and accounting experience, the majority of which has been spent providing accounting and auditing services for Montana governmental and nonprofit organizations.

Morgan will be responsible for planning the audit, overseeing field work and managing staff. Joining her on this engagement will be Justin Gerber, who has over 9 years of public accounting experience, much of it spent working with governmental organizations. Morgan will oversee the day-to-day activities of the staff and ensure that the plan is executed as scheduled. Kaylee Vachon, an auditor with local governmental experience, will provide support on field work and audit staff will assist with testing; administrative and support staff will provide additional support as necessary. Justin will perform independent quality control technical review.

Morgan and Justin oversee more than 60 financial statement audits and reviews for nonprofit, governmental and for-profit entities. Additionally, they provide other attestation engagements (compilations, agreed-upon procedures, financial statement preparation) and Morgan serves as a peer review team member.

We are confident that our engagement service team will provide highly professional and timely service. Our staff has a wealth of experience that can provide an invaluable resource for your organization. Resumes of our professional staff involved in this engagement are included in this proposal.

AUDIT APPROACH

Planning

The audits will be performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards. The planning phase includes gaining an understanding of your accounting system, policies and procedures; evaluating internal controls; preliminary materiality; the nature, timing and extent of the audit testing procedures; and coordinating the work to be accomplished throughout the audit. Preliminary audit planning is a collaborative process. The entire audit team meets to discuss the engagement as a whole, analyze the preliminary risk assessments, and brainstorm efficient, appropriate audit procedures.

Internal Control

Internal control evaluation is based the adequacy of the internal controls to effectively prevent, or detect and correct, errors or misstatements. To evaluate this, we must determine whether the controls are designed appropriately and implemented. We test samples of revenues and disbursements, then use our evaluation to determine the nature, timing, and extent of audit testing and to design our audit procedures. We will also consider the adequacy of policies and procedures to effectively mitigate the risk of errors, irregularities, or misstatements. The results of these evaluations can provide a basis for improvements to add value to your organization and its operations.

Internal Control in the Audit Process

- Understand controls to assess risks
- Evaluate controls' ability to mitigate risk of material misstatement
- Link financial statement risks to assertions
- Design audit procedures to address risks
- Evaluate internal control deficiencies
- Communicate internal control related matters

Materiality

Preliminary judgment of materiality is based on the assessed risk of material misstatement, the amount and types of assets and revenues and the nature and frequency of proposed audit adjustments in prior periods. Amatics will use a risk-based approach to the audit of the organization. Testing in certain areas will be primarily substantive in nature (confirming balances, vouching significant additions) while testing in others may consist more of analytical procedures (identifying and investigating large and unusual variances from predicted or budgeted amounts). Our testing will concentrate on individually significant items. We will determine the areas of high risk on the organization's financial statements and rely heavily on substantive testing in those areas. For areas of lower risk, we will rely on analytical procedures such as inquiry and observation and comparison of amounts to previous years and to budget.

Field Work

The majority of the substantive procedures and testing happens during field work. Audit staff perform the majority of the testing procedures, as well as analytical procedures in areas of lower risk. These procedures are all designed by the audit manager or shareholder. All audit work performed by staff is reviewed by the audit shareholder. Audit procedures in riskier or individually significant areas are performed by the audit manager and shareholder.

AUDIT APPROACH (CONTINUED)

Communication and Timeline

Communication and Monitoring
<ul style="list-style-type: none"> · Continuous audit team communication · During on-site audit work, status meetings with audit team and management · Communicate issues or concerns as they arise · Solicit feedback and input from management · Check in throughout the year on applicable topics

We understand your audit completion requirements and have the capacity to be flexible to work around your staff and management schedules as necessary. Additionally, we are diligent about maintaining open communication throughout the entire process. We strive to make our planning process comprehensive, so our field work time can be spent effectively and efficiently.

We will communicate with management throughout the process as well, to involve you and solicit input to ensure we develop a complete understanding of your organization and its activities. As questions or issues arise, we will bring them to your attention to keep the lines of communication open and continually move toward the goal of a timely and thorough audit process. We will present draft documentation to management and Finance Committee of the Board prior to finalizing any audit deliverables. If there are internal control recommendations or findings, we will discuss those early and in depth with all applicable parties. We understand the audit is to be presented to the Board of Trustees no later than December 2021, with the audit submitted to the Montana Department of Administration no later than December 31, 2021.

We believe in maintaining our relationships with clients throughout the year, making it a point to stay knowledgeable about changes in your operations and activities during the year. We will also communicate with you on topics we find applicable to you and your industry, in the hopes of identifying opportunities to help contribute to the future success of your organization.

QUALITY CONTROL

Amatics CPA Group is proud of our reputation for providing clients with high quality services. Our Amatics Audit Committee developed and maintains our system of quality control through continuous monitoring, in-house file review, and an annual review of our processes and procedures.

In addition, we formally monitor this system of quality control through participation in the American Institute of Certified Public Accountants (AICPA) Peer Review Program, administered by the Montana Society of Certified Public Accountants.

We received a peer review rating of *pass* on the quality control of our accounting and auditing practice at our most recent peer review, for the year ended May 31, 2019. A copy of this peer review report is enclosed at the end of this proposal.

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FEE STRUCTURE

The estimated fees for the audit services are as follows:

Fiscal year	Fees
June 30, 2021	\$ 8,000
June 30, 2022	\$ 8,500
June 30, 2023	\$ 9,200

Our fees are competitive with other firms in the area. We anticipate you will have technical questions that come up throughout the year. Our fees above are designed to include those types of conversations during the year. If those conversations result in additional services that require extra time, we will discuss the scope of those services with you prior to doing any additional work. We won't bill you for additional services without first having mutually agreed on the billing arrangement for those services.

These fees above do not include underlying accounting work associated with the implementation of new upcoming accounting standards. We will gladly provide guidance and act as a resource in that area. If additional services are requested related to implementation of those standards, we are available to assist with that and other requested accounting services, at our standard hourly rates.

Although we furnish services to a large number of clients, we recognize our responsibility to provide personalized service. Over the term of the engagement, the same professionals will be involved to maximize efficiency and provide continuity.

We estimate the following hours to complete the audit:

	<u>Planning and preliminary</u>	<u>Field work</u>	<u>Reporting and review</u>	<u>Total</u>
Shareholder	10	6	4	20
Senior	14	14	4	32
Staff	4	8	0	12
Technical Review	0	0	8	8
Total	28	28	16	72

SUMMARY

At Amatics, our focus is on providing value to our clients. That is our emphasis throughout the entire audit process. We are here to provide support as needed throughout the year and to give you the tools and recommendations necessary to improve the District's internal controls and operations. We work to provide an exceptional level of client service and believe you will be completely satisfied if you choose to partner with us for your audit services.

We would welcome the opportunity to meet with you to discuss our proposal and to answer any questions.

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MORGAN SCARR, CPA
Audit Shareholder



Experience

- 14 years in public accounting
- Audit and accounting – nonprofit, governmental, and for profit organizations
- Financial reporting and internal controls
- Tax planning, preparation, compliance – business, nonprofit
- Chair of Amatics CPA Group’s Audit Committee
- Peer Review team member

Education

- Bachelor of Science in Accounting – Montana State University
- Masters of Professional Accountancy – Montana State University

Memberships and Community Involvement

- Adjunct Accounting Professor at Montana State University Jake Jabs College of Business and Entrepreneurship
- Gallatin Valley Land Trust (GVLT) Finance Committee Member
- Montana Society of Certified Public Accountants
- AICPA Nonprofit Section Member
- AICPA Governmental Audit Quality Control Center
- Montana State University College of Business Accounting Advisory Council
- Recipient of the 2018 MSU College of Business Young Alumni Award
- First Security Bank Foundation Past Board Member
- Bridgcare Past Board Member and Treasurer
- Leadership Bozeman 23

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JUSTIN GERBER, CPA
Audit Manager



Experience

- 9 years in public accounting
- Audit and accounting – nonprofit entities, governmental entities, nonprofit healthcare facilities, employee benefit plans, for profit organizations, compliance audits as required by the uniform guidance related to expenditures of federal awards
- Tax planning and preparation – nonprofit organizations
- Certified fraud examiner

Education

- Bachelor of Arts in Accounting and Finance – Cedarville University
- Masters of Accountancy – University of South Florida

Memberships and Community Involvement

- Running, coaching, church involvement
- Montana Society of Certified Public Accountants
- American Institute of Certified Public Accountants
- Church finance committee member

LARRY D. GRAHAM, CPA
 RICHARD P. REIMANN, CPA
 STEPHEN A. WILLADSON, CPA
 STEPHANIE L. MEANS, CPA
 CLIF HODDER, CPA
 RICK MASON, CPA - OF COUNSEL



JONI KUMOR, CPA
 JOHN A. SMITH, CPA
 SCOTT BUCKINGHAM, CPA
 ANDREW J. BEYELER, CPA
 JACK E. LENHART, CPA - OF COUNSEL
 LARRY G. BEAN, CPA - OF COUNSEL

Report on the Firm's System of Quality Control

October 31, 2019

To the Shareholders of Amatics CPA Group
 and the Peer Review Committee of the Nevada Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Amatics CPA Group (the firm) in effect for the year ended May 31, 2019. 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 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not preformed or reported in conformity with 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 the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, an audit under the Single Audit Act and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Amatics CPA Group in effect for the year ended May 31, 2019, 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. Amatics CPA Group has received a peer review rating of pass.

Lenhart, Mason & Associates, LLC

Lenhart, Mason & Associates, LLC



RUDD & COMPANY PLLC
certified public accountants | *business consultants*

Hyalite Rural Fire District Proposal to Provide Professional Audit Services for Fiscal Year 2021

Rudd & Company, *PLLC*
3805 Valley Commons Dr. Suite 7
Bozeman, MT 59718
406-585-3393

giving direction to your future

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RUDD & COMPANY

certified public accountants | business consultants

June 29, 2021

Hyalite Rural Fire District
Attn: Brian Nickolay, Fire Chief
4541 S. 3rd Rd
Bozeman, MT 59715

Dear Chief Nickolay:

Thank you for the opportunity to present our qualifications to provide professional audit services to the Hyalite Rural Fire District ("the District") for the fiscal year ending June 30, 2021, with the option to extend to FY22 and FY23. We are committed to providing you with the highest quality service, and we ensure timely, effective and efficient services.

We believe we can meet your needs and exceed your expectations. Included in this proposal, we detail our firm's profile, qualifications, latest peer review letters, approach to the engagement, and proposed timeline and fees.

Selecting Rudd & Company, *PLLC* as your professional audit firm presents important advantages. We will build an in-depth understanding of the District and its operations. We offer an experienced audit team that will provide quality service in an efficient manner with realistic fees that will include proactive value-added advice and recommendations.

We hope our proposal conveys our commitment to the District, and we look forward to building a relationship with you. Please feel free to contact Dane Hancock, Partner, at (406) 585-3393 or dhancock@ruddco.com.

Sincerely,

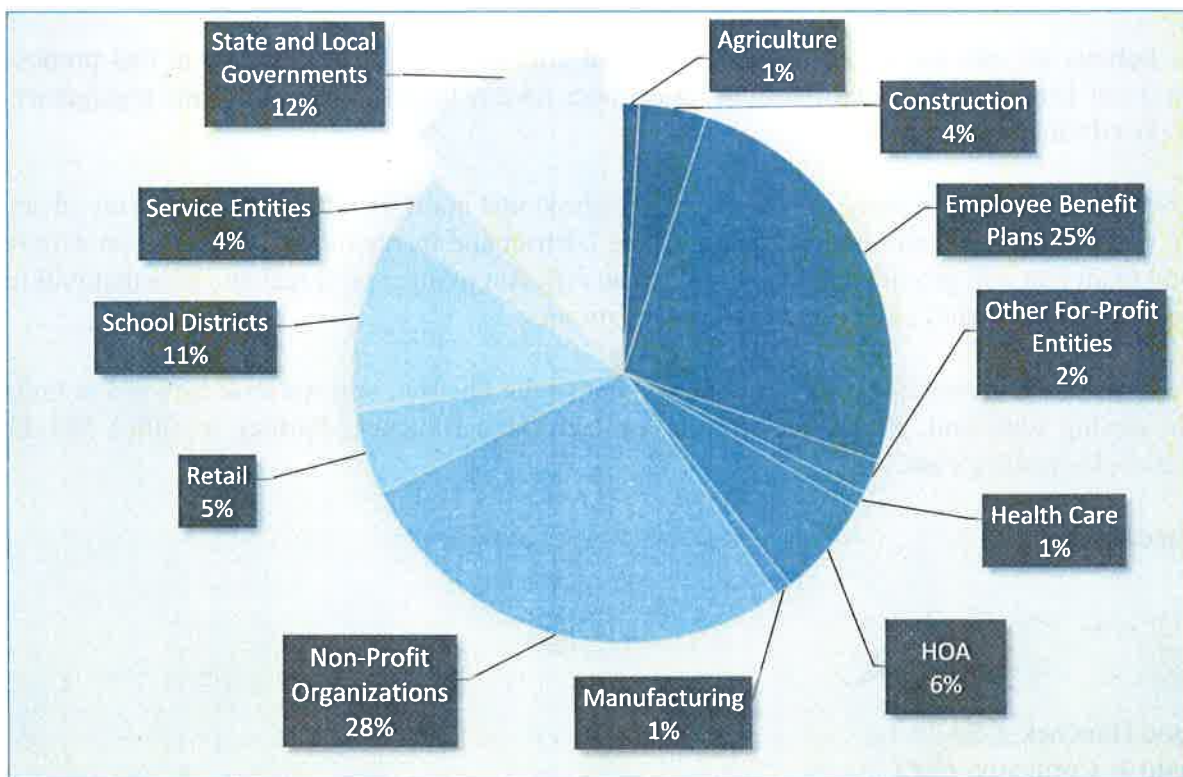
Dane Hancock, CPA
Rudd & Company, *PLLC*

Firm Profile

Rudd & Company, *PLLC* is a regional accounting firm founded in 1963 in Rexburg, Idaho, and has offices in Montana and Idaho including locations in Bozeman, Helena, West Yellowstone, Rexburg, Idaho Falls, and Driggs.

Our attest practice makes up approximately 30% of our firm's billable services, with tax services comprising 55%. The remaining 15% is made up of write-up management services and business consulting.

Our attest clients range in size and complexity and we provide attest services to several organizations including governmental entities, not-for-profit organizations, non-public businesses, employee benefit plans, and financial institutions.



Firm Profile

- Currently, we have seventeen partners, seven managers, thirty-two staff accountants, and nineteen para-professionals serving clients in our six offices. Of the seventeen partners, six are in charge of the firm's audit practice.
- Your engagement team will be based out of the Bozeman office. The Bozeman office has sixteen certified public accountants: five partners, three managers and eight staff accountants. The remaining Bozeman staff consists of nine CPA candidates, nine para-professionals and four administrative assistants.
- All staff members will be supervised by the Bozeman audit partner, Dane Hancock, to ensure your needs are being met.
- Our service history and our knowledge are the lead indicators of the service you will receive. The engagement team will be responsive and dedicated to your needs now, and in the future.
- We utilize an internal system of quality control that includes a Quality Control Document that requires internal audit quality inspections during years that we are not subject to external peer reviews. An external peer review is completed every three years in accordance with AICPA standards.
- Rudd & Company is independent to the District.
- Rudd & Company operates a sizable audit practice. Our audit specialists are fully trained in the most up-to-date audit procedures. Our firm believes a strong technical background is essential to assuring that our audit and accounting services are provided in the most proficient manner possible and in accordance with the highest professional standards.
- We recognize timely completion of the audit is important to you. Our audit team gives first priority to the needs of our audit clients, regardless of the time of the year. We will provide experienced staff on your engagement who are dedicated to your audit.
- If we become aware of staff changes, we promise to notify you immediately and obtain your approval for new staff before they are added to the engagement.
- We are not expecting to need or use any outside contractors to assist with this engagement.
- We utilize an electronic auditing software package (Workpapers CS), which is integrated with the nationally recognized PPC audit intelligence and methodology.



Firm Profile

Client Service Strategy

- While quality can be measured in independent surveys, it is won one client at a time. Providing high quality service is the overriding objective of every assignment we undertake. It is not a supplement to our technical expertise, but rather an integral part of the way we work.
- Quality is the cornerstone of our strategy and is embedded in our team approach which is focused on our clients, our people, and our firm.
- Our client strategy is to build our practice by concentrating on quality clients, regardless of their size, who will require our specialized skills and resources in their demanding business environment.
- Our people strategy is to hire and retain the best people and support them with training, coaching, and opportunities so they are fully equipped to deliver the best client service on a continual basis.
- Our firm strategy is to continually refresh our policies and procedures, supporting our professionals to foster an environment where the highest level of integrity is expected and risks are identified and managed.
- Our service history and our knowledge are the lead indicators of the service you will receive. The engagement team will be responsive and dedicated to your needs now and in the future.



Firm Qualifications – References

Rudd and Company performs many audit engagements that are similar in size to the District. Below are two current clients that will positively confirm the level of service that you will obtain with us.

Park County Rural Fire District

Engagement Partner: Dane Hancock

Contact: Dann Babcock, Fire Chief

Phone: (406) 222-0562

Address: PO Box 1134, Livingston, MT 59047

Scope of Work: Governmental Financial Statement Audit, Preparation of Financial Statements

Years Audited by Rudd & Company: 2014 through 2020, engaged for 2021-2022

Total Hours: Approximately 150 per year

City of Three Forks, MT

Engagement Partner: Dane Hancock

Contact: Crystal Turner, City Clerk

Phone: (406) 285-3431

Address: PO Box 187, Three Forks, MT 59752

Scope of Work: Governmental Financial Statement Audit, Preparation of Financial Statements

Years Audited by Rudd & Company: 2014 to 2020, engaged for 2021-2022

Total Hours: Approximately 200 per year

Gardiner School District

Engagement Partner: Dane Hancock

Contact: Shelby Detro, District Clerk

Phone: (406) 848-7563

Address: 510 Stone Street, Gardiner, MT 59030

Scope of Work: Governmental Financial Statement Audit, Preparation of Financial Statements

Years Audited by Rudd & Company: 2011-2020, engaged for 2021-2023

Total Hours: Approximately 200 per year



Firm Qualifications – Resumes

Below is our team of experienced certified public accountants that will be assigned to your engagement.

Dane Hancock
Engagement Partner
CPA

Julie Kostelecky
Quality Control Review Partner
CPA

Dan Sullivan
Senior Staff
CPA



Dane Hancock, CPA

Engagement Partner



Engagement Role

- Overall engagement management and partner review of engagement.

Firm Experience

- Engagement partner on sixteen audit engagements, part of the engagement team on a total of twenty-seven audits.
- Nine years of audit experience in public accounting, including seven with Rudd & Company and two as an auditor with another regional public accounting firm.

Professional Experience

- Experience with governmental audits, non-profit audits, for-profit audits, and employee benefit plan audits.
- Audit experience includes single audits, State of Montana local government compliance, internal controls, system design and financial statement analysis.

Professional Licensure and Associations

- Licensed CPA in the state of Montana
- Member of the AICPA
- Member of the Montana Society of CPAs
- Montana State University Master's of Professional Accountancy
- Serves on the finance committee of a local nonprofit in the Bozeman area



Julie Kostelecky, CPA, CVA

Engagement Quality Control

Review Partner



Engagement Role

- Engagement quality control review of the audit

Firm Experience

- Engagement partner on fifteen audits performed out of the Bozeman office, including nine governmental audits.
- Seventeen years experience in public accounting, including ten with Rudd & Company and seven with another regional accounting firm.

Professional Experience

- Julie has extensive experience with governmental audits, specifically fire districts, school districts, non-profit audits, and for-profit audits.
- Audit experience includes single audits, school district grant compliance, internal controls, and financial statement analysis.
- Julie is also a CVA, which means she is trained in business valuations and litigation support.

Professional Licensure and Associations

- Licensed CPA in the state of Montana
- Certified Valuation Analyst (CVA)
- Member of the AICPA and past Council Member
- Member of Montana Society of CPAs, past President of the Board of Directors



Dan Sullivan, CPA, CFE

Senior Staff



Engagement Role

- Day to day engagement management, planning, and completion of complex attest areas.

Firm Experience

- Six years of audit experience in public accounting, including two with Rudd & Company and four as an auditor with another regional public accounting firm.

Professional Experience

- Experience with governmental audits, non-profit audits, and for-profit audits.
- Audit experience includes local government compliance, internal controls, and financial statement analysis.

Professional Licensure and Associations

- Licensed CPA in the State of Montana
- Member of the Montana Society of CPAs
- Member of the Association of Certified Fraud Examiners
- Member of the AICPA



Peer Review

We affirm that since inception we have received “pass” peer review ratings and do not have a history of substandard work. Our most recent peer review was completed on November 25, 2019.

BradyMartz

Report on the Firm's System of Quality Control

August 16, 2019

To the Partners of Rudd and Company, PLLC and
the Peer Review Committee of the Nevada Society of CPAs (NVCPA)

We have reviewed the system of quality control for the accounting and auditing practice of Rudd and Company, PLLC (the Firm) in effect for the year ended March 31, 2019. 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 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 in conformity with 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 the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; audits of employee benefit plans, and an audit performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rudd and Company, PLLC in effect for the year ended March 31, 2019, 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*. Rudd and Company, PLLC has received a peer review rating of *pass*.



Brady, Martz and Associates, P.C.
Minot, North Dakota

Make Every Day Count | www.bradymartz.com





Peer Review
Program

State and AICPA Peer Review Program administered by the NVCPA for the following states: Idaho, Montana, Nebraska, Nevada, Utah, and Wyoming

November 25, 2019

Blayne McArthur
Rudd & Company PLLC
124 E Main St
Rexburg, ID 83440-1912

Dear Blayne McArthur:

It is my pleasure to notify you that on November 20, 2019, the Nevada Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Kary Arnold
Finance & Peer Review Program Manager
kamold@nevadacpa.org
(775) 826-6800

Nevada Society of CPAs

cc: Tina Nordquist, Julie Kostecky

Firm Number: 900010091000

Review Number: 568489

5422 Longie, Lane Suite A Reno, NV 85511 (775) 826-6800 phone (775) 826-7942 fax www.nevadacpa.org



Approach to the Engagement

- Our audit approach is a top-down process that includes an assessment of audit risk by the partners and managers during the planning phase of the engagement. Our team will work directly with District staff to document our understanding of the District, its activities, and its financial statement and compliance risks.
- This risk-sensitive approach focuses our efforts on areas that are more prone to misstatement than others. Part of this assessment includes a thorough review of current accounting and reporting developments, both in your entity and in other similar governments.
- The risk assessment is tailored to address the unique nature of a governmental entity, state compliance requirements, single audit requirements and internal control. As we recognize intricacies in governmental entities differ from those of for-profit companies, we will draw on our experience auditing governmental entities to address these risks.
- Our audit process is broken down into seven areas:
 - Planning
 - Internal control evaluation
 - State Compliance planning and testing
 - Fieldwork
 - Concluding the audit
 - Deliverables



Approach to the Engagement

- Planning the audit consists of the following:
 - Conducting planning meeting with appropriate District personnel to determine timeline for interim testing, fieldwork and availability of personnel.
 - Discussing with the District's personnel and documenting our understanding of your systems.
 - Determining major funds based on revenues and total assets of each individual fund and in aggregate.
 - Calculating aggregate and fund level materiality based on asset or revenue values, including calculating performance materiality and trivial misstatement values to evaluate adjustments
 - Establishing and evaluating risk levels based upon our understandings, major fund determination and materiality levels.
 - Determining the nature, extent, and timing of testing financial statement areas including sampling, analytics, and substantive testing.
 - Interviewing key management and employees.
 - Discussing the risks of fraud related to various audit areas with selected employees.
 - Reading minutes of the meetings of the Board of Trustees of the Hyalite Rural Fire District to gain an understanding of activities that occurred during the year.
 - Reviewing the annual budgets.



Approach to the Engagement

- Internal Control Evaluation consists of the following:
 - Review of fiscal policies and procedures of the District as provided by the District's accounting staff.
 - Discussions with above mentioned District staff to gain an understanding of the accounting procedures and controls in place at the District.
 - Determination of areas of controls that require detail testing in order to gain assurance over operational effectiveness of control.
 - Determination of the nature, extent, and timing of testing of internal controls.
 - Establishing audit sample selections for internal control testing based on populations provided by the District and PPC sampling methodology. PPC methodology includes the following factors in determining sample size:
 - Objective of control
 - Population size
 - Frequency of control
 - Control risk
 - Expected deviations
 - Determination of reliance on controls and operational effectiveness based on testing completed and utilizing this information in the planning and risk assessment of the financial statement audit.
 - Perform in-depth review of the District's internal control procedures.



Approach to the Engagement

- State Compliance testing consists of the following:
 - Review of State of Montana Compliance Supplements.
 - Determination of which compliance supplements are material and significant to the operations of the District.
 - Discuss compliance requirements and procedures with appropriate District personnel.
 - Plan compliance testing based State of Montana's compliance supplements.
 - Communicate testing requirements to District personnel to determine populations of transactions that will require testing.
 - Complete testing of State of Montana compliance regulations simultaneously with the financial statement audit.

- Fieldwork consists of the following:
 - Conducting fieldwork entrance conference with key personnel to discuss the audit.
 - Completion of audit programs in all major risk areas.
 - Determination of the sample size selections based on PPC methodology which includes the following factors: population size, individual significant transactions, materiality, frequency of transaction, risk of material misstatement and other procedures risk.
 - Testing of financial statement accounts and balances based on risk assessment completed during planning.
 - Application of a non-statistical sampling approach in many of our auditing procedures.
 - Completion of analytical procedures over revenues and expenses on the fund level and aggregate level, including by not limited to ratio analysis and budget to actual.
 - Completion of analytical procedures over the government wide financial statement account balances based on government wide risk assessment.



Approach to the Engagement

- Concluding the audit and deliverables consists of the following:
 - Reviewing all audit procedures performed by our firm personnel. This review is completed by a manager and a partner to ensure the procedures performed address risks identified.
 - Establishing a list of any management comments that need to be conveyed.
 - Discussing all proposed audit adjustments with the District's personnel.
 - Evaluating any passed adjustments.
 - Requesting representation in the form of written correspondence from District officials.
 - Requesting representation from the District's attorney (if any) about any contingencies, litigation, or commitments of which they may be aware.
 - Reviewing the financial report, including government-wide and fund level financial statements, the combining and combined financial statements, and schedule of Federal Financial Assistance (if applicable), notes and schedules.
 - Supplying printed and electronic audit report, along with other required reports on internal control and compliance.
 - Rudd and Company believes up-front and constant communication of any and all audit problems is necessary to obtain the level of service the District expects and that Rudd and Company expects to deliver.
 - If any potential audit problems arise during any stage of the audit, communication between the engagement partner and the necessary District personnel will occur.
 - Through communication, Rudd & Company will be able to provide the District with the level of service they deserve as an audit client. The engagement partner will be available at any time during the stages of the audit and also after the audit is completed if any problems occur that you wish to discuss.



Approach to the Engagement

Planning the Audit

Partner	—	4 hours
Senior Staff	—	<u>14 hours</u>
Total	—	18 hours

Internal Control

Partner	—	1 hour
Senior Staff	—	<u>4 hours</u>
Total	—	5 hours

State Compliance

Partner	—	1 hour
Senior Staff	—	<u>2 hour</u>
Total	—	3 hours

Fieldwork

Partner	—	10 hours
Senior Staff	—	<u>44 hours</u>
Total	—	54 hours

Deliverables

Partner	—	12 hours
Senior Staff	—	<u>8 hours</u>
Total	—	20 hours



Audit Timeline

Rudd & Company, *PLLC* proposes the following timeline for the completion of the audit.

This schedule will be developed in conjunction with the District. The schedule will be approved prior to audit work commencing.

Description	Timeframe
Entrance conference with District Accounting Staff	August 2021/2022/2023
Auditing Planning and Fieldwork begins	October 2021/2022/2023
Meet with District Accounting Staff to review audit findings and recommendations	At conclusion of fieldwork
Rudd to provide draft of financials	November 30 each year
Present draft audit report and financial statements	December Board of Trustees meeting each year
Deliver final reports to District	After Board of Trustees meeting each year



Engagement Fees - 2021

Personnel Level	Hours	Rate per Hour	Total
Engagement Partner	20	\$190	\$3,800
Quality Control Partner	8	\$255	\$2,040
Senior Staff	72	\$135	\$9,720
Proposed Hours	100		
Total Proposed Price for Audit Personnel			\$15,560
Discount			(4,560)
Total Price Proposed for this Engagement			\$11,000



Engagement Fees

The following outlines the estimated number of hours and the all-inclusive maximum fee for the audit engagement for fiscal years 2020, 2021, and 2022.

Year	Proposed Hours	Proposed Fee
2021	100	\$11,000
2022	100	\$11,000
2023	100	\$11,000

Our commitment to competitive fees include the following assumptions:

- No surprise billings.
- Billing arrangements for special projects are agreed upon in advance based on agreed rates.
- Value for services rendered.
- We will always work with you to find the best outcome for both parties.



Hourly Rates and Fees

If additional work arises due to changes in the District's business during the contract period, we will discuss a change in engagement with management. If this work is substantially different from the original scope of the engagement, we will discuss a change in fee at that time. However general questions and consulting throughout the year are included at no change in our overall fee for up to 4 hours.

We like to hear from our clients outside of the normal attest fieldwork so we can stay informed of major issues and changes and help with advice when requested.

Our standard hourly rates for each staff classification are the following:

Partner	\$190 per hour
Senior Staff	\$135 per hour

We believe that our proposed fees are reasonable given the scope and nature of the District's operations and audit requirements. If you have comments, questions or would like additional information regarding our proposed fees, we welcome the opportunity to discuss them with you, as it is our ultimate goal to continue our open and honest relationship with you.



Final Word

We truly believe that we can continue to provide the Hyalite Rural Fire District with the highest quality professional audit services.

Our reputation for professional quality and integrity is essential to providing the optimal level of services to our clients and is the cornerstone of our success.

Our fire district audit experience will allow for the least disruption possible to your workplace.

We hope you will evaluate our information carefully and please feel free to contact us should you need additional information. We have established a website providing general information about our firm, our people, and the services we offer at www.ruddco.com.





A Higher Standard

TO Colin Prato
Hyalight Fire Dept
4541 S 3rd

Bozeman MT 59715

PCF 406-579-3087
cprato@hyalitefire.org

SITE: 10200 Cottonwood
Bozeman MT 59715



30 Years of Experience

PROPOSAL

www.apexgroupmt.com

AREA #1 PAVING

SubTotal Price

\$50,680.00

• PAVE DRIVEWAY/PARKING LOT WITH 4 INCHES OF HOT MIX ASPHALT.

50,680.00

OUR PRICE INCLUDES:

1. Import and placement of up to 75 tons(1 Inch)of road mix material. Grading and compaction included. Price for additional road mix required due to low sub grade, added square footage or any other reason will be billed at \$26.00 per ton in place.
2. Sterilization(spraying with Roundup) of area to be paved if required will be completed by owner 7-10 days before paving will be completed. **Please see attached exclusions.**
3. Furnish and install 4 inches (two @ 2" lifts) of hot mix asphalt to approximately 12,670 square feet. **2 YEAR WARRANTY!!**

Terms:

Payment is due upon completion of work.

All returned checks will be charged an additional \$25.00. Major credit cards accepted.
Use of credit or debit card is subject up to 3% surcharge fee. Sales Tax Rates may vary.

Acceptance:

The process, specifications, and conditions as enumerated herein, including "Terms and Conditions" below are satisfactory and are hereby accepted. Apex Group, Inc. is authorized to proceed with the work as specified. Payment will be made according to the terms listed above. Apex Group, Inc., reserves the right to file a preliminary lien notice if required. This proposal is valid for 30 days from the date of the proposal. Due to volatile material pricing, all work is subject to an increase if it is not completed within 30 days from the date of this proposal.

Authorized Signature _____ Title _____

Print Name _____ Date _____

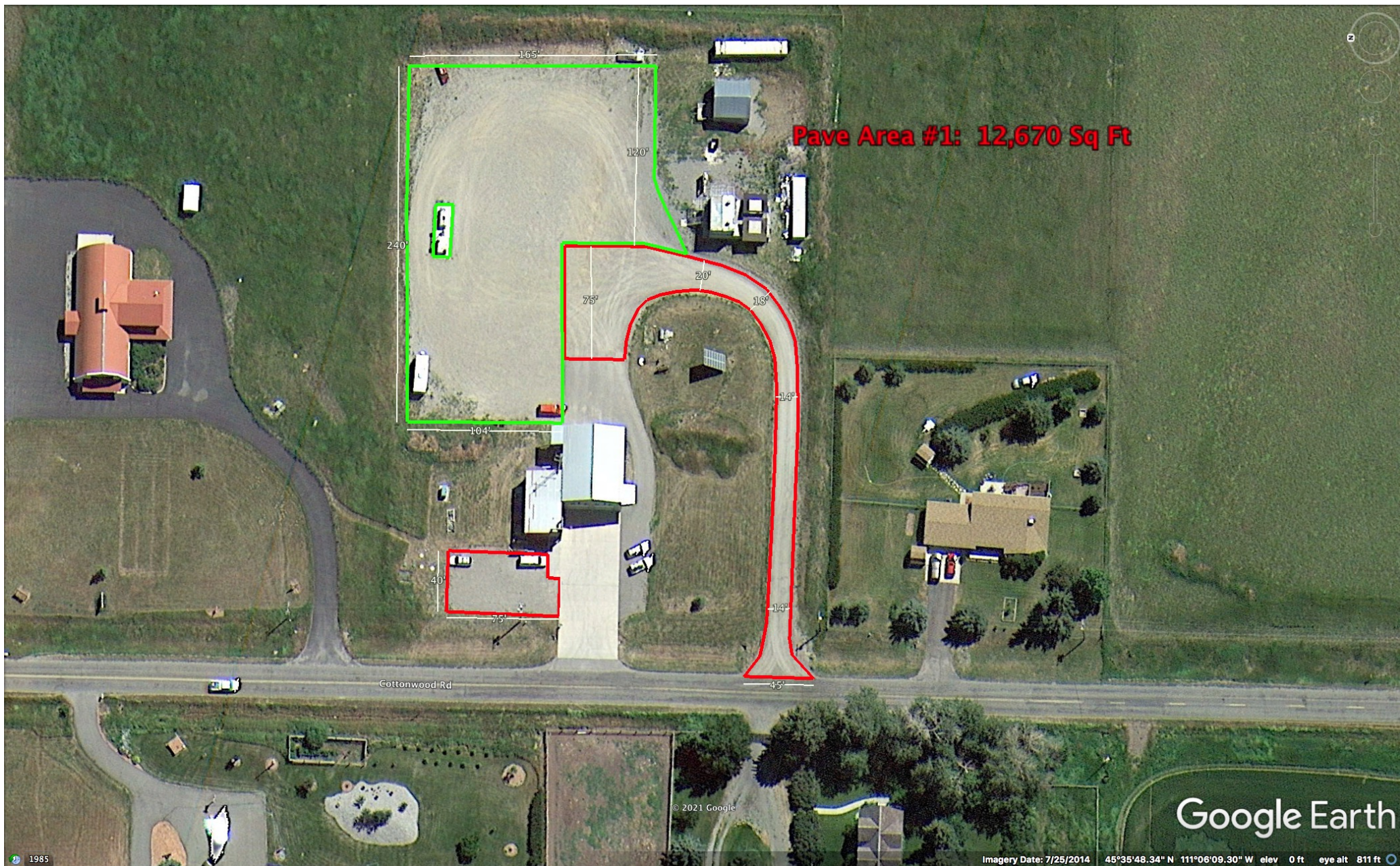
Legal Property Owner _____ Email Address _____

Mailing Address _____ Contact Phone _____

See additional warranty/exclusions information following this proposal:

Proposal Total Price

50,680.00



SPECIFIC EXCLUSIONS & WARRANTIES

Paving Warranty and Exclusions:

Warranty on paving is 2 Years except for the following exclusions: Proper drainage for any paving project is guaranteed only if a minimum of 2 inches every 10 feet exist prior to paving. Pooling or drainage issues may exist if minimum slope can't be achieved due to onsite conditions. Apex Group, Inc. will not be responsible if standing water and/or icing exists after paving work is completed. If any portion of the new pavement fails due to poor, inadequate, and/or base materials (sub-grade materials such as pit run, not road mix used from final grade) installed by others there will be no warranty on the failed areas. Sterilization of the ground will only be completed if weeds are present on the surface to be paved prior to preparation work being completed. In no case will Apex Group, Inc. be responsible if weeds grow through the asphalt surface after paving. Apex Group Inc. is not responsible for items typical of asphalt pavement such as cracking, settling, oxidation, edge deterioration and breakage, rutting, uneven surface and or appearance from rocks when hand raking takes place, scuff marks from power steering, softness at higher temperatures, visible seams, tracking, etc. If an asphalt overlay is completed there are no warranties on drainage. If it's required that we cross over or pave next to any type of concrete border, concrete sidewalk, concrete apron or concrete of any kind we are not responsible for any damage that may occur including, but not limited to cracking, discoloration, breakage, scuffing, staining or damage of any kind. This includes tire marks etc. Our total tonnage for road mix is based on proper elevation of the sub grade and is an estimate only. Pricing for this item takes into account the mobilization of our prep crew to the job site and our time to prep the project. A decrease in our import material does not decrease the pricing unless an agreement is made prior to our mobilization to the job site. Generally speaking if we have to mobilize our prep crew to the site there will be no decrease.

Concrete Exclusions:

Any and all winter conditions, construction staking, pump trucks, cold weather concrete and/or protection, hot water, chemicals, blanketing, concrete testing or any kind of ground thawing setup or equipment. Pricing assumes prep work will be completed to within plus or minus 1". No gravel included unless specified. Light towers to be provided by others for night work, No heat tubing work included (plumber must be onsite for each pour) No extra labor included for slick lining, No haul off of wash out materials, No special curing or hardeners included, no color, stain or stamp work included unless specified, safety railings by others. Insulation and/or vapor barrier by others unless specified, Pricing based on exact quantities as listed in the attached estimate. The estimated quantities and exclusions to be made part of any subcontract agreement.

Water/Sewer and Excavation Exclusions:

Unless specified in proposal all excavation for water and sewer pricing assumes that work will be completed in unfrozen ground. Pricing for excavation is based on favorable working conditions. If conditions such as rock formations, high water table or any other unforeseen problems requiring additional materials, time or labor, the customer will be notified and any additional costs will be added to the invoice. Unless specified, water and sewer price does not include any fees or permits that may be required for hookup. Cutting of asphalt or concrete and or associated patching or repairs where street cuts are required will be an extra charge unless they are specified in our proposal. Apex Group, Inc. does not assume responsibility for any utility lines such as water, electric, gas, phone, fiber optic, sprinkler, etc. which may lie within eighteen inches (18") of the surface. Layouts of locations must be furnished to Apex Group, Inc. if such lines are known to exist. In no case shall Apex Group, Inc. be responsible for damage to any of the above. Bedding material **is included** in our water and sewer pricing. Other Exclusions Include: Temporary Barricade & Fencing, Dust Control, Unforeseen Below Ground Demolition, Topsoil Import, Irrigation & Landscaping, Layout, Interior Pipe Work, Hazardous & Contaminated Waste Removal, Soils Testing, and Bonds.

Crack Seal Warranty:

There is no warranty on crack sealing unless the cracks are routed to a width and depth of ¾ inches and then sealed with a hot rubberized crack sealer. Cracks that run parallel to the edges of asphalt will not be sealed. Cracks between asphalt and concrete surfaces will not be sealed. Alligator areas and/or areas that need to be patched will not be crack sealed. Settling of hot or cold applied crack sealers will occur if cracks are more than ¼ inch wide and ¼ inch deep. Settling of the crack sealer is not a warranty issue and is no call for alarm. The crack remains sealed even if the sealant is not completely to the top of the crack.



SPECIFIC EXCLUSIONS & WARRANTIES

Sealcoating Warranty and Exclusions:

The work proposed herein is covered by a 2 year warranty on workmanship for asphalt sealing. Application of all warranty provisions is conditional upon full payment of contract price as specified in this agreement. Normal wear and tear, abuse, accidental damage and acts of God are excluded as well as areas that have oil and gas drippings, low spots that hold water, areas where snow is piled or extremely dirty areas. Other items that will void the warranty on seal coating are: salting, sanding or use of de-icing products such as magnesium chloride during the winter season.

Common Questions and Concerns:

1. When cars turn their power steering on fresh seal coat you will notice marks that appear to be tearing the asphalt emulsion. Because asphalt takes up to 6 weeks to cure, it remains soft when temperatures are hot. The power steering marks may continue for several weeks until the emulsion in the seal coat hardens.
2. You may notice small hairline cracks that develop in the seal coat, especially where the asphalt is rough or where cracks have been sealed. This is a normal asphalt emulsion trait where the sealer is thick. The asphalt emulsion contains some water and as that water evaporates you may develop shrinkage cracks.
3. If your asphalt surface has poor drainage and puddles of water exist, you may notice that the seal coat didn't bond well in those areas after the first winter. This is caused by freezing and thawing of the water in those areas. Ideally the low spots should be repaired prior to seal coating.

Additional Notes: Asphalt sealing proposal is based on a square foot price that includes a google earth photo(if available)of the existing asphalt surface area. If the area has been modified and/or increased in total square footage an additional charge will apply based on our square foot price.

Striping Exclusions and Notes:

Sweeping of parking lot, curb painting, bollard, pole or parking bumper painting. Re-striped stencils may not be an exact match if Apex Group, Inc. didn't do the initial striping. The moving of vehicles etc. is the responsibility of the owner. If additional mobilizations are required due to vehicles in our way an extra charge will apply.

Patching Warranty and Exclusions:

Warranty on patching is 2 Years except for the following exclusions: Proper drainage for any patching project is guaranteed only if a minimum of 2 inches every 10 feet exist prior to paving. Pooling or drainage issues may exist if minimum slope can't be achieved due to onsite conditions. Apex Group, Inc. will not be responsible if standing water and/or icing exists after patching work is completed. If any portion of the new pavement fails due to poor, inadequate, and/or base materials (sub-grade materials such as pit run, not road mix used from final grade) installed by others there will be no warranty on the failed areas. In no case will Apex Group, Inc. be responsible if weeds grow through the asphalt surface after paving. Apex Group Inc. is not responsible for items typical of asphalt pavement such as cracking, settling, oxidation, edge deterioration and breakage, rutting, uneven surface and or appearance from rocks when hand raking takes place, scuff marks from power steering, softness at higher temperatures, visible seams, tracking, etc. If it's required that we cross over or pave next to any type of concrete border, concrete sidewalk, concrete apron or concrete of any kind we are not responsible for any damage that may occur including, but not limited to cracking, discoloration, breakage, scuffing, staining or damage of any kind. This includes tire marks etc.



A Higher Standard

Standard Conditions/Warranties

General Conditions:

• This proposal is valid for 14 days, with final acceptance subject to approval by the credit department of Apex Group, Inc. and if executed by “customer” as a contract, is entered into by Apex Group, Inc. without liability for delay or cancellation from causes beyond Apex’s control, including weather, acts of God, labor disturbances, shortages, war and acts of government. • All surfaces to which material is to be applied shall be in a condition that is similar to the time at which the project was bid. Customer shall notify Apex Group in advance when the site is ready for the work to be performed, and shall give free and unobstructed access so that the work to be performed can be commenced promptly, and that once begun, may be completed without delay. Customer agrees to pay Apex Group, Inc. its reasonable charges for delays caused by customer or other subcontractors. Towing of vehicles, if necessary, shall be the responsibility of the customer. • Traffic control will be provided by customer unless otherwise specified in estimate. It shall be the responsibility of the customer to maintain closures if required. • A water supply source shall be furnished by the customer. If Apex Group, Inc. has to bring their own water source an additional charge will apply. • Apex Group, Inc. does not assume responsibility for any utility lines such as water, electric, sprinkler, etc. which may lie within eighteen inches (18”) of the surface. Layouts of locations must be furnished to Apex Group, Inc. if such lines are known to exist. In no case shall Apex Group, Inc. be responsible for damage to any of the above. • Additional work can be performed either by verbal or written order by the owner or owners representative.

Terms:

• In addition to the terms and conditions listed in this estimate, customer agrees to pay a service charge of 2% per month on all accounts that are more than 5 days past due. Customer agrees to pay all reasonable attorney, collection and/or lien filing fees that may be incurred. • Customers agrees that payment is due in full at the time the services are provided.

Indemnification:

• Apex Group, Inc. maintains adequate insurance and shall indemnify and hold harmless customer, owner, agents and employees of any of them from any claims, damages, losses and expenses arising out of or resulting from performance of the work to the extent caused by the negligent acts or omissions of Apex Group, Inc. or anyone for whose acts Apex Group, Inc. may be liable.

Disputes:

• If customer objects to any portion of the work, customer shall pay Apex Group, Inc. as per this agreement and notify Apex Group, Inc. within 7 calendar days, identify the cause of the disagreement. • The parties hereby agree that, in any legal action arising from this agreement, venue for the action may properly be placed in the county of the Apex Group, Inc. office that issued this proposal and contract. • The parties acknowledge that they are hereby relinquishing and waiving any rights they may have to establishing venue in any other county. This agreement shall be in accordance with and governed by the laws of the state in which it was drafted.

Our Environmental Commitment:

• Apex Group, Inc. believes in employing sustainable practices that are both socially responsible and commercially sound. From material recycling strategies to pollution prevention initiatives, we are committed to minimizing our environmental impact while improving the well being of the communities we serve.

Confidentiality:

• The information in this document is privileged and completely confidential. No part of this document may be reproduced and/or distributed to anyone other than the recipient that is specifically listed on this document without the written permission from Apex Group, Inc.



A Higher Standard

TO Colin Prato
Hyalight Fire Dept
4541 S 3rd

Bozeman MT 59715

PCF 406-579-3087
cprato@hyalitefire.org

SITE: 10200 Cottonwood
Bozeman MT 59715



30 Years of Experience

PROPOSAL

www.apexgroupmt.com

AREA #1 PAVING

SubTotal Price

\$29,800.00

• PAVE PARKING LOT WITH 3 INCHES OF HOT MIX ASPHALT.

29,800.00

ITEMS INCLUDED IN OUR PRICING.

- Import and placement of up to 130 tons of road mix material. Grading and compaction included. Price for additional road mix installed will be \$25.00 per ton.
- Sterilization of area to be paved. (subject to attached exclusions)
- Furnish and install 3 inches of hot mix asphalt to approximately 12,670 square feet. **2 YEAR WARRANTY!!** (Subject to attached exclusions)

AREA #2 PAVING

SubTotal Price

\$64,000.00

• PAVE PARKING LOT WITH 3 INCHES OF HOT MIX ASPHALT.

64,000.00

ITEMS INCLUDED IN OUR PRICING.

- Import and placement of up to 330 tons of road mix material. Grading and compaction included. Price for additional road mix installed will be \$25.00 per ton.
- Sterilization of area to be paved. (subject to attached exclusions)
- Furnish and install 3 inches of hot mix asphalt to approximately 32,000 square feet. **2 YEAR WARRANTY!!** (Subject to attached exclusions)

Terms:

Payment is due upon completion of work.

All returned checks will be charged an additional \$25.00. Major credit cards accepted.
Use of credit or debit card is subject up to 3% surcharge fee. Sales Tax Rates may vary.

Acceptance:

The process, specifications, and conditions as enumerated herein, including "Terms and Conditions" below are satisfactory and are hereby accepted. Apex Group, Inc. is authorized to proceed with the work as specified. Payment will be made according to the terms listed above. Apex Group, Inc., reserves the right to file a preliminary lien notice if required. This proposal is valid for 30 days from the date of the proposal. Due to volatile material pricing, all work is subject to an increase if it is not completed within 30 days from the date of this proposal.

Authorized Signature _____ Title _____

Print Name _____ Date _____

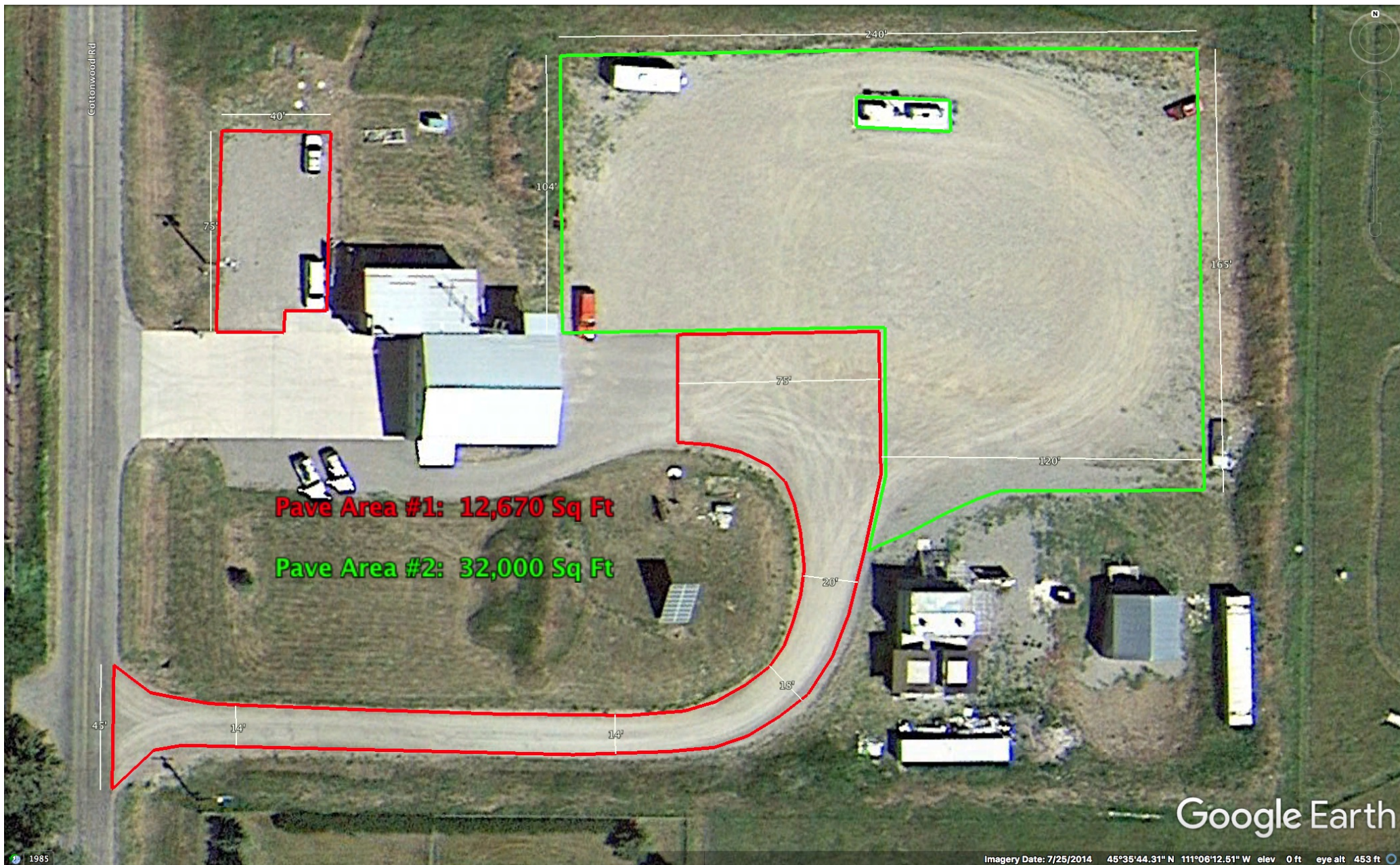
Legal Property Owner _____ Email Address _____

Mailing Address _____ Contact Phone _____

See additional warranty/exclusions information following this proposal:

Proposal Total Price

93,800.00



SPECIFIC EXCLUSIONS & WARRANTIES

Paving Warranty and Exclusions:

Warranty on paving is 2 Years except for the following exclusions: Proper drainage for any paving project is guaranteed only if a minimum of 2 inches every 10 feet exist prior to paving. Pooling or drainage issues may exist if minimum slope can't be achieved due to onsite conditions. Apex Group, Inc. will not be responsible if standing water and/or icing exists after paving work is completed. If any portion of the new pavement fails due to poor, inadequate, and/or base materials (sub-grade materials such as pit run, not road mix used from final grade) installed by others there will be no warranty on the failed areas. Sterilization of the ground will only be completed if weeds are present on the surface to be paved prior to preparation work being completed. In no case will Apex Group, Inc. be responsible if weeds grow through the asphalt surface after paving. Apex Group Inc. is not responsible for items typical of asphalt pavement such as cracking, settling, oxidation, edge deterioration and breakage, rutting, uneven surface and or appearance from rocks when hand raking takes place, scuff marks from power steering, softness at higher temperatures, visible seams, tracking, etc. If an asphalt overlay is completed there are no warranties on drainage. If it's required that we cross over or pave next to any type of concrete border, concrete sidewalk, concrete apron or concrete of any kind we are not responsible for any damage that may occur including, but not limited to cracking, discoloration, breakage, scuffing, staining or damage of any kind. This includes tire marks etc. Our total tonnage for road mix is based on proper elevation of the sub grade and is an estimate only. Pricing for this item takes into account the mobilization of our prep crew to the job site and our time to prep the project. A decrease in our import material does not decrease the pricing unless an agreement is made prior to our mobilization to the job site. Generally speaking if we have to mobilize our prep crew to the site there will be no decrease.

Concrete Exclusions:

Any and all winter conditions, construction staking, pump trucks, cold weather concrete and/or protection, hot water, chemicals, blanketing, concrete testing or any kind of ground thawing setup or equipment. Pricing assumes prep work will be completed to within plus or minus 1". No gravel included unless specified. Light towers to be provided by others for night work, No heat tubing work included (plumber must be onsite for each pour) No extra labor included for slick lining, No haul off of wash out materials, No special curing or hardeners included, no color, stain or stamp work included unless specified, safety railings by others. Insulation and/or vapor barrier by others unless specified, Pricing based on exact quantities as listed in the attached estimate. The estimated quantities and exclusions to be made part of any subcontract agreement.

Water/Sewer and Excavation Exclusions:

Unless specified in proposal all excavation for water and sewer pricing assumes that work will be completed in unfrozen ground. Pricing for excavation is based on favorable working conditions. If conditions such as rock formations, high water table or any other unforeseen problems requiring additional materials, time or labor, the customer will be notified and any additional costs will be added to the invoice. Unless specified, water and sewer price does not include any fees or permits that may be required for hookup. Cutting of asphalt or concrete and or associated patching or repairs where street cuts are required will be an extra charge unless they are specified in our proposal. Apex Group, Inc. does not assume responsibility for any utility lines such as water, electric, gas, phone, fiber optic, sprinkler, etc. which may lie within eighteen inches (18") of the surface. Layouts of locations must be furnished to Apex Group, Inc. if such lines are known to exist. In no case shall Apex Group, Inc. be responsible for damage to any of the above. Bedding material **is included** in our water and sewer pricing. Other Exclusions Include: Temporary Barricade & Fencing, Dust Control, Unforeseen Below Ground Demolition, Topsoil Import, Irrigation & Landscaping, Layout, Interior Pipe Work, Hazardous & Contaminated Waste Removal, Soils Testing, and Bonds.

Crack Seal Warranty:

There is no warranty on crack sealing unless the cracks are routed to a width and depth of ¾ inches and then sealed with a hot rubberized crack sealer. Cracks that run parallel to the edges of asphalt will not be sealed. Cracks between asphalt and concrete surfaces will not be sealed. Alligator areas and/or areas that need to be patched will not be crack sealed. Settling of hot or cold applied crack sealers will occur if cracks are more than ¼ inch wide and ¼ inch deep. Settling of the crack sealer is not a warranty issue and is no call for alarm. The crack remains sealed even if the sealant is not completely to the top of the crack.

SPECIFIC EXCLUSIONS & WARRANTIES

Sealcoating Warranty and Exclusions:

The work proposed herein is covered by a 2 year warranty on workmanship for asphalt sealing. Application of all warranty provisions is conditional upon full payment of contract price as specified in this agreement. Normal wear and tear, abuse, accidental damage and acts of God are excluded as well as areas that have oil and gas drippings, low spots that hold water, areas where snow is piled or extremely dirty areas. Other items that will void the warranty on seal coating are: salting, sanding or use of de-icing products such as magnesium chloride during the winter season.

Common Questions and Concerns:

1. When cars turn their power steering on fresh seal coat you will notice marks that appear to be tearing the asphalt emulsion. Because asphalt takes up to 6 weeks to cure, it remains soft when temperatures are hot. The power steering marks may continue for several weeks until the emulsion in the seal coat hardens.
2. You may notice small hairline cracks that develop in the seal coat, especially where the asphalt is rough or where cracks have been sealed. This is a normal asphalt emulsion trait where the sealer is thick. The asphalt emulsion contains some water and as that water evaporates you may develop shrinkage cracks.
3. If your asphalt surface has poor drainage and puddles of water exist, you may notice that the seal coat didn't bond well in those areas after the first winter. This is caused by freezing and thawing of the water in those areas. Ideally the low spots should be repaired prior to seal coating.

Additional Notes: Asphalt sealing proposal is based on a square foot price that includes a google earth photo(if available)of the existing asphalt surface area. If the area has been modified and/or increased in total square footage an additional charge will apply based on our square foot price.

Striping Exclusions and Notes:

Sweeping of parking lot, curb painting, bollard, pole or parking bumper painting. Re-striped stencils may not be an exact match if Apex Group, Inc. didn't do the initial striping. The moving of vehicles etc. is the responsibility of the owner. If additional mobilizations are required due to vehicles in our way an extra charge will apply.

Patching Warranty and Exclusions:

Warranty on patching is 2 Years except for the following exclusions: Proper drainage for any patching project is guaranteed only if a minimum of 2 inches every 10 feet exist prior to paving. Pooling or drainage issues may exist if minimum slope can't be achieved due to onsite conditions. Apex Group, Inc. will not be responsible if standing water and/or icing exists after patching work is completed. If any portion of the new pavement fails due to poor, inadequate, and/or base materials (sub-grade materials such as pit run, not road mix used from final grade) installed by others there will be no warranty on the failed areas. In no case will Apex Group, Inc. be responsible if weeds grow through the asphalt surface after paving. Apex Group Inc. is not responsible for items typical of asphalt pavement such as cracking, settling, oxidation, edge deterioration and breakage, rutting, uneven surface and or appearance from rocks when hand raking takes place, scuff marks from power steering, softness at higher temperatures, visible seams, tracking, etc. If it's required that we cross over or pave next to any type of concrete border, concrete sidewalk, concrete apron or concrete of any kind we are not responsible for any damage that may occur including, but not limited to cracking, discoloration, breakage, scuffing, staining or damage of any kind. This includes tire marks etc.



A Higher Standard

Standard Conditions/Warranties

General Conditions:

• This proposal is valid for 14 days, with final acceptance subject to approval by the credit department of Apex Group, Inc. and if executed by “customer” as a contract, is entered into by Apex Group, Inc. without liability for delay or cancellation from causes beyond Apex’s control, including weather, acts of God, labor disturbances, shortages, war and acts of government. • All surfaces to which material is to be applied shall be in a condition that is similar to the time at which the project was bid. Customer shall notify Apex Group in advance when the site is ready for the work to be performed, and shall give free and unobstructed access so that the work to be performed can be commenced promptly, and that once begun, may be completed without delay. Customer agrees to pay Apex Group, Inc. its reasonable charges for delays caused by customer or other subcontractors. Towing of vehicles, if necessary, shall be the responsibility of the customer. • Traffic control will be provided by customer unless otherwise specified in estimate. It shall be the responsibility of the customer to maintain closures if required. • A water supply source shall be furnished by the customer. If Apex Group, Inc. has to bring their own water source an additional charge will apply. • Apex Group, Inc. does not assume responsibility for any utility lines such as water, electric, sprinkler, etc. which may lie within eighteen inches (18”) of the surface. Layouts of locations must be furnished to Apex Group, Inc. if such lines are known to exist. In no case shall Apex Group, Inc. be responsible for damage to any of the above. • Additional work can be performed either by verbal or written order by the owner or owners representative.

Terms:

• In addition to the terms and conditions listed in this estimate, customer agrees to pay a service charge of 2% per month on all accounts that are more than 5 days past due. Customer agrees to pay all reasonable attorney, collection and/or lien filing fees that may be incurred. • Customers agrees that payment is due in full at the time the services are provided.

Indemnification:

• Apex Group, Inc. maintains adequate insurance and shall indemnify and hold harmless customer, owner, agents and employees of any of them from any claims, damages, losses and expenses arising out of or resulting from performance of the work to the extent caused by the negligent acts or omissions of Apex Group, Inc. or anyone for whose acts Apex Group, Inc. may be liable.

Disputes:

• If customer objects to any portion of the work, customer shall pay Apex Group, Inc. as per this agreement and notify Apex Group, Inc. within 7 calendar days, identify the cause of the disagreement. • The parties hereby agree that, in any legal action arising from this agreement, venue for the action may properly be placed in the county of the Apex Group, Inc. office that issued this proposal and contract. • The parties acknowledge that they are hereby relinquishing and waiving any rights they may have to establishing venue in any other county. This agreement shall be in accordance with and governed by the laws of the state in which it was drafted.

Our Environmental Commitment:

• Apex Group, Inc. believes in employing sustainable practices that are both socially responsible and commercially sound. From material recycling strategies to pollution prevention initiatives, we are committed to minimizing our environmental impact while improving the well being of the communities we serve.

Confidentiality:

• The information in this document is privileged and completely confidential. No part of this document may be reproduced and/or distributed to anyone other than the recipient that is specifically listed on this document without the written permission from Apex Group, Inc.

Hyalite Rural Fire District

Fire Chief's Report

June 2021

Prepared by: Fire Chief Brian Nickolay

1. The Hyalite Fire Department has responded to 330 calls in 2021 (as of 7/01/2021).
2. Our current roster is at 44 members (effective 6/01/2021).
3. We currently have 8 resident firefighters living at the Sourdough Fire Station.
4. We currently have 4 resident firefighters living at the Cottonwood Fire Station.
5. We still have 3 resident renters at the Rae house.
6. We continue our regular training every Wednesday night and command training twice a month.
7. Open burning was closed in the end of June for the Hyalite Fire District. So far, our wildland fire responses in the fire district and county have been fairly minimal. Conditions are extremely critical. I have been working with Gallatin County DES, other fire jurisdictions and the county commission on needs for a full burn ban. To date an emergency ordinance has not been drafted by the county commissioners.
8. Final job offers have been given and accepted by our new Assistant Fire Chief Chris Dahlhauser and Training Captain Malcolm Malone. Assistant Chief Dahlhauser will start on Monday July 26th. Training Captain Malone will start on Wednesday August 18th.
9. We had a crew of two firefighters deploy with our Co-op brush truck to the Robertson Draw Fire outside of Red Lodge on June 16th – 18th.
10. We have received our full Cares Act funding in the amount of \$245,000. Approximately \$70,000 has been spend on equipment for our new ambulance including heart and AED monitors and a power load cot system. I would like to bring a presentation to the board in the near future on how we can utilize additional funding to improve our EMS service delivery.
11. The floor refinishing at the Cottonwood Fire Station has been completed. The new floor covering certainly improved the look of the station!
12. We recently had Poindexter's audio and visual perform a sound test done in the conference room at Sourdough station. We are awaiting the results and recommendations of how we can improve the acoustics in the conference room.
13. We have experienced no firefighter injuries or significant mechanical breakdowns in the last month.

EMS CALLS FOR HYALITE RURAL FIRE DISTRICT

	APRIL	MAY	JUNE
TOTAL HRFD EMS Calls (Including MVAs)	26	27	35
Calls Resulting in Transport	18	21	20
Refusals/No Transport Needed	8	6	15
TYPES OF EMS CALLS DISPATCHED BY 911			
A – Least Severe	4	5	10
B	4	5	3
C	6	5	2
D – Most Severe	6	8	11
E – Rarely Used	1		2

Hyalite Fire Department

Bozeman, MT

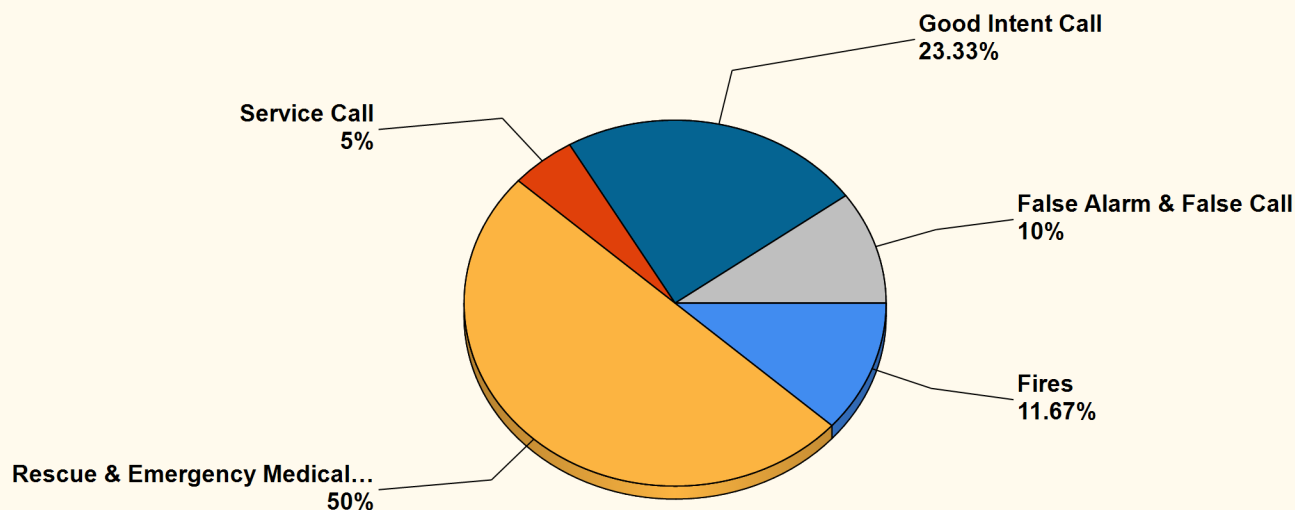
This report was generated on 7/15/2021 10:02:32 AM

Attachment



Breakdown by Major Incident Types for Date Range

Zone(s): All Zones | Start Date: 06/01/2021 | End Date: 06/30/2021



MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	7	11.67%
Rescue & Emergency Medical Service	30	50%
Service Call	3	5%
Good Intent Call	14	23.33%
False Alarm & False Call	6	10%
TOTAL	60	100%

Only REVIEWED and/or LOCKED IMPORTED incidents are included. Summary results for a major incident type are not displayed if the count is zero.

Detailed Breakdown by Incident Type

Attachment E

INCIDENT TYPE	# INCIDENTS	% of TOTAL
111 - Building fire	2	3.33%
131 - Passenger vehicle fire	1	1.67%
141 - Forest, woods or wildland fire	3	5%
143 - Grass fire	1	1.67%
321 - EMS call, excluding vehicle accident with injury	23	38.33%
322 - Motor vehicle accident with injuries	3	5%
324 - Motor vehicle accident with no injuries.	4	6.67%
554 - Assist invalid	3	5%
611 - Dispatched & cancelled en route	11	18.33%
622 - No incident found on arrival at dispatch address	1	1.67%
651 - Smoke scare, odor of smoke	1	1.67%
661 - EMS call, party transported by non-fire agency	1	1.67%
733 - Smoke detector activation due to malfunction	4	6.67%
743 - Smoke detector activation, no fire - unintentional	1	1.67%
745 - Alarm system activation, no fire - unintentional	1	1.67%
TOTAL INCIDENTS:	60	100%

Only REVIEWED and/or LOCKED IMPORTED incidents are included. Summary results for a major incident type are not displayed if the count is zero.