HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

3269 Stockton Hill Road – Kingman, AZ 86409

AGENDA (July 14, 2026)

The Governing Body of Hospital District Number One of Mohave County (Hospital District Board) will meet in Regular Session on Tuesday, July 14, 2026 at 2:00p.m**. The meeting will be held at Kingman Regional Medical Center in Mohave A Conference Room at 3269 Stockton Hill Road, Kingman, Arizona.** The Hospital District Board may vote to go into Executive Session pursuant to A.R.S. §38-431(A)(3) for legal advice and A.R.S. §431.03(A)(4) for discussion or consultation with attorney(s). The following topic(s) and any variables thereto will be subject to Hospital District Board consideration, discussion, approval, or other action. All items are set for possible action.

I. CALL TO ORDER

II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS

III. CONSIDERATION AND ACCEPTANCE OF MINUTES

A. Discussion and possible action regarding the acceptance of the Regular Session minutes from the Hospital District Board Meeting of June 2, 2026. Katie Tacheron presenting. Pages 1-8

IV. FINANCIAL MATTERS

A. ***Information only*** – The Annual Operational Budget Report for Fiscal Year ending June 30, 2027 was hand-delivered on June 18, 2026 to the Clerk of the Board of Supervisors and to the Mohave County Finance Department. The Fiscal Year Annual Budget for Fiscal Year ending June 30, 2027 was approved at the June 2, 2026 Hospital District Meeting. Katie Tacheron presenting. Pages 9-10

B. ***Information only*** discussion of the following invoices that have been paid since the June 2, 2026 meeting. Of note, at the June 2, 2026 District Board meeting approval was granted to pay invoices upon receipt so as not to delay payment or incur finance charges. Copies of each invoice and respective warrant have been forwarded to the KRMC Finance Department for Budget Reconciliation and to the Mohave County Treasurer's Office for Fraud Protection:

1. Check #7667000297 in the amount of $21,019.00 to McGriff a March & McLennan Agency LLC Company for D&O basic coverage board insurance.

Board approved to purchase insurance coverage at their May 5, 2026 meeting.

2. Check #7667000298 in the amount of $373.22 paid to Allied Forces for Catherine Furtado's salary (part of May 2026)
3. Check #7667000299 in the amount of $1,254.00 paid to Tom Price, District Board Attorney
4. Check #7667000300 in the amount of $2,358.12 paid to McGriff a March & McLennan Agency LLC Company for Cyber Coverage for policy period of 6/04/2026-5/01/2027. Board approved to purchase additional coverage at their June 2, 2026 meeting.
5. Check #7667000301 in the amount of $1,994.69 paid to Arizona Labor Force (Allied Forces) for Catherine Furtado's salary (May 16-May 28, 2026)

C. ***Information only*** discussion of the Balance Sheet Summaries for March, April and May 2026 as well as Statements of Revenue and Expenses for the same time periods. In addition, discussion and possible acceptance of the Mohave County Treasurer's Fund Balance Report for May 2026. KRMC Controller Barry Moore presenting. Pages 11-17

Re-discussion and possible action regarding approval to secure a Hospital District Board business credit card from a reputable credit card company, bank or credit union. While at their June 2, 2026 meeting, the Board approved the Chairman to proceed with the credit card application through the National Bank of Arizona. However, following that meeting, it came to light that further research was needed to ensure payment with a business credit card is/was allowable under A.R.S. Title 48 – Special Taxing Districts to which this Board must adhere.

Based upon A.R.S. §48-1915 and the opinion/recommendation of the Hospital District's attorney, Tom Price, a redress of this issue is warranted (1) to determine whether the statute allows payment by credit card and (2) whether the Board's chairman should ultimately proceed with the credit card application process. (Of note, pertinent June 2, 2026 agenda items D.1 through 5 were deferred and pending until a redress is concluded regarding the credit card application process). Katie Tacheron presenting. Pages 18-20

E. Review, discussion and possible action regarding approval of the revised Hospital District's Fixed Costs and Recurring Costs for fiscal year 2026-2027. Katie Tacheron and Logan Marsh presenting. Pages 21-22

F. Google Workspace: Brought forward from the June 2, 2026 Hospital District meeting, agenda item "IV. Financial Matters E.2". The Trial period for the Google Workspace ended 5/28/2026. In order to receive this trial period, Katie Tacheron used her personal credit card to secure the service.
Therefore, discussion and possible action regarding approval is needed to reimburse Ms. Tacheron for $83.71. Page 23
Of note and for information only at this time, it is anticipated future invoices may be generated and reimbursement for such charges will be brought before the Board as they become available. Katie Tacheron presenting.

V. OLD BUSINESS

A. Discussion and possible action regarding the approval of the addendum for EPL coverage. Item deferred from the June 2, 2026 meeting. Policy/pricing attached to the June 2, 2026 agenda packet, which is available on the District's webpage. Policy/pricing redistributed to Board Members in an email dated June 6, 2026 and included in this agenda packet. Katie Tacheron presenting. Page 24

B. ***Information only*** discussion regarding the Hospital District and the Mohave County Office Space Lease Agreement. At the July 6, 2026 meeting of the Board of Supervisors, that August Body reviewed the draft proposed lease agreement between County Administration and the Hospital District. Subsequently, the Board of Supervisors deferred approval until their August 3, 2026, which prompted a request from the County Manager, David Strahl, asking for clarification as to the duties and authorities of the Hospital District Board. Teresa Boegler and Katie Tacheron presenting. Pages 25-32

1. Draft response to the County Manager, David Strahl, regarding the Hospital District Board's duties and authorities. Pages 33-35

2. Of note, pending the Board of Supervisors' final action of, and as noted in the draft lease agreement, the District Board must obtain commercial general

liability coverage in an amount not less than one million dollars ($1,000,000.00) per occurrence and two million dollars ($2,000,000.00 aggregate; and Worker's compensation coverage in an amount required by the State of Arizona as may be applicable. Insurance information for this policy is currently being gathered and will come before this Board as a future agenda item. Katie Tacheron presenting.

C. Discussion and possible action regarding the approval to change from A2llied Forces for ancillary staff billing/salary payment to 1-Call Staffing LLC. Allied Forces has proved not to be cost effective with their billing practices and have not adhered to the agreed upon percentage for using their services. Katie Tacheron presenting.

VI. NEW BUSINESS

A. Review, discussion and possible action regarding the approval of the Policy and Procedure for Payment of Invoices from Vendors. Katie Tacheron presenting. Pages 36-37

B. Review, discussion and possible action regarding the approval of the Policy and Procedure for Board-Issued Electronic Devices, Related Software and Peripheral Accessories. Logan Marsh and/or Katie Tacheron presenting. Pages 38-42

C. Review, discussion and possible action regarding the approval of the Policy and Procedure for Purchase of Office Supplies and Equipment. Logan Marsh and/or Katie Tacheron presenting. Pages 43-44

D. Discussion and possible action regarding the approval of setting up a Staples Account for the purchase of office supplies and/or essential equipment, e.g., laptop, iPads, software and accessories. Katie Tacheron presenting.

E. Discussion and possible action regarding approval of the Baker/Tilley Letter of Engagement for the required annual audit for Fiscal Year ending June 30, 2026. Pages 45-53

Of note, this is the final year for this contracted company to conduct the required mandatory audit. As such, the Board Chairman will obtain a list of qualified governmental auditors for board review, audit company interviews followed by possible approval to facilitate the required audit process.   Katie Tacheron presenting.

VII. CALL TO THE PUBLIC

VIII. ADJOURNMENT

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of this agenda notice will be duly sent to the Mohave County Board of Supervisors no later than July 9, 2026 by 2:00p.m. for posting on their public information board. In addition, notice will be posted at 3269 Stockton Hill Road (main entrance to KRMC), no later than July 10, 2026 by 2:00p.m. in accordance with the statement filed by the Hospital District Number One of Mohave County. Furthermore, a copy of this agenda notice will be posted on the Hospital District's webpage no later than July 9, 2026 at 2:00p.m.

Posted by Catherine Furtado on behalf of Katie Tacheron, Hospital District Number One of Mohave County Board Chairmen

ADDITIONAL MEETING RESOURCES:

Microsoft Teams Meeting:

Meeting link: https://teams.live.com/meet/93907082163335?p=wks9hgpwghih21d43j

Meeting ID: 939 070 821 633 35

Passcode: EA7F8k

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
3269 Stockton Hill Road – Kingman, AZ 86409

MINUTES - JUNE 2, 2026

The Governing Body of Hospital District Number One of Mohave County (Hospital District Board) will meet in Regular Session on Tuesday, June 2, 2026 at 2:00p.m**. The meeting will be held at Kingman Regional Medical Center in Mohave B Conference Room at 3269 Stockton Hill Road, Kingman, Arizona.** The Hospital District Board may vote to go into Executive Session pursuant to A.R.S. §38-431(A)(3) for legal advice and A.R.S. §431.03(A)(4) for discussion or consultation with attorney(s). The following topic(s) and any variables thereto will be subject Hospital District Board consideration, discussion, approval, or other action. All items are set for possible action.

I. CALL TO ORDER

The Regular Session Board meeting of Hospital District Number One of Mohave County was called to order at 2:00p.m. A quorum was identified.

II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS

Chairman, Katie Tacheron
Vice Chairman, Teresa Boegler
Board Member Logan Marsh
Board Member Carol Newmyer, M.D.
Board Member Leanne Smith

Non-Board Members

Hospital District Attorney Thomas Price
Executive Assistant Catherine Furtado

KRMC Representatives: Billy Neal, Emmanuel Buabeng, Heath Evans, Cheryl Porter, Chris Bennett, Allen Poston and Barry Moore

III. CONSIDERATION AND ACCEPTANCE OF MINUTES

Minutes from the May 5, 2026 meeting were reviewed.

ACTION: MOTION MADE BY BOARD MEMBER BOEGLER AND SECONDED BY BOARD MEMBER MARSH TO ACCEPT THE MINUTES OF MAY 5, 2026 AS WRITTEN.

ACTION: A POINT OF CLARIFICATION WAS REQUESTED BY BOARD MEMBER SMITH TO RECONSIDER BOARD MEMBER NEWMYER'S VOTE CHANGE FROM ABSTAINING TO YEA AS SHE WAS IN ATTENDANCE AT THE MAY 5, 2026 MEETING.

INITIAL VOTE 4/1 WITH BOARD MEMBER NEWMYER ABSTAINING.

FINAL VOTE OF 5/0 FOLLOWING CLARIFICATION OF BOARD MEMBER NEWMYER'S MEETING ATTENDANCE.

Minutes from the May 18, 2026 meeting were reviewed.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER SMITH TO ACCEPT THE MAY 18, 2026 MINUTES AS WRITTEN.

VOTE 4/1 WITH BOARD MEMBER NEWMYER ABSTRAINING DUE TO AN EXCUSED ABSENCE.

IV. FINANCIAL MATTERS – PLEASE NOTE: NO MONTHLY FINANCIAL OR BALANCE SHEET REPORTS WILL BE PRESENTED AT THIS MEETING; THOSE REPORTS WILL BE PLACED ON A SUBSEQUENT HOSPITAL DISTRICT REGULAR SESSION BOARD MEETING AGENDA.

A. Payment of Attorney Fees for the period of 5/18/2026 to 5/20/2026.

Discussion ensued when Board Member Newmyer requested clarification as to the charge of $950.00. In response, it was explained the $950.00 was a previous balance carried forward to create a current balance of $2,546.00.

Further discussion ensued when Board Member Newmyer queried the need for attorney expenditures and whether legal expenses could be curtailed. Board Member Marsh responded stating that the accrual of legal expenses had been discussed at two prior board meetings where the following was determined yg87udue to the district moving forward with obtaining office space and separating itself from Kingman Regional Medical Center there would be increased legal expenses.

ACTION: A MOTION WAS MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER SMITH TO PAY THE BALANCE OF $2,546.00 TO ATTORNEY THOMAS PRICE FOR SERVICES RENDERED FROM 4/17/2026 TO 5/20/2026.

VOTE 5/0

B. **Payment of Invoices Received from Contracted Vendors and the Prudent Business Practice to Not Delay Payment for Services Rendered.**

Discussion ensued with Board Member Smith stating she gave her support for this agenda item. When a budget is finalized, it's really important budgeted items associated with a vendor contract be paid without waiting for a subsequent meeting. Board Member Newmyer stated she felt it was a problem unless the Board knows the upfront actual expense. Having some preset approval for invoices where the Board doesn't know the actual amount is problematic to her.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO PAY CONTRACTED VENDORS UPON RECEIPT OF AN INVOICE RATHER THAN WAITING FOR A HOSPITAL DISTRICT BOARD MEETING TO OCCUR. ALL INVOICES PAID UPON RECEIPT WILL THEN BECOME A SUBSEQUENT AGENDA ITEM FOR HOSPITAL DISTRICT BOARD REVIEW AND ACTION AS DEEMED NECESSARY.

ACTION: BRING FORTH A POLICY AND PROCEDURE FOR PAYING CONTRACTED VENDOR INVOICES.

VOTE 4/1 WITH BOARD MEMBER NEWMYER OPPOSED.

C. Securing a Hospital District Board Business Credit Card from a Reputable Company, Bank or Credit Union.

Discussion ensued with Board Member Newmyer querying why a credit card was needed to which Board Member Marsh explained many vendors are moving away from bank transfers and other modes of payment and utilizing digital assets such as credit cards. Board Member Smith stated that the board is lacking a strategic plan that lays out goals, timelines, desired results. Board Member Smith questioned whether the Board had a real budgetary process, policies, or operational plans. All of which Board Member Smith stated is now on this current Board and it appears like there's more expenses, which is true; however, if previous Boards had done what they needed to do, the current Board would not be looking at all these expenses.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER SMITH TO ALLOW BOARD CHAIRMAN KATIE TACHERON TO CONTINUE WITH THE HOSPITAL DISTRICT CREDIT CARD APPLICATION PROCESS WITH THE NATIONAL BANK OF ARIZONA.

ACTION: ABSTAIN FROM USING THE CREDIT CARD UNTIL SUCH TIME AS A POLICY IS DEVELOPED AND BROUGHT BEFORE THE BOARD FOR DISCUSSION AND POSSIBLE ACTION.

VOTE 3/2 WITH BOARD MEMBER NEWMYER OPPOSED AND BOARD MEMBER BOEGLER ABSTRAINING

D. Interim critical standards for utilization of the Hospital District Board's credit card.

1. Designate a Board Member to develop and submit to the Board for approval a Policy and Procedure Regarding Use of the Hospital District Board's Business Credit Card. Of note, agenda items 2 through 4 are to be incorporated into the policy.

2. Designate the chairman of the Hospital District Board to be the authorized signer to accomplish payment for services rendered and/or purchased goods relative to conducting Board credit card business with adherence to the Hospital District Board's Bylaws regarding the 2-signature requirement for check disbursement.

3. Designate

   (a) the number of Hospital District Board credit cards to be issued.
   (b) who shall be Hospital District Board credit card holder(s).

4. Establish

   (a) a limit of $1,200.00 per single credit card purchase

(b) Any single credit card purchase over the established limit of $1,200.00 will require Hospital District Board approval prior to the actual purchase; of note, this excludes items in #5.

5. Delineate items/invoices to be paid/purchased with the Board's business credit card, such as monthly cell phone bills, monthly Google Workspace bills, website monthly fees, purchases for business related office supplies (paper, paper clips, binders, binder dividers, printer ink, pencils, pens, staples, stapler, etc.).

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO DEFER ITEM D. 1 THROUGH 5 TO A SUBSEQUENT BOARD MEETING UNTIL SUCH TIME AS A POLICY AND PROCEDURE FOR USE OF A BOARD-ISSUED CREDIT CARD IS DEVELOPED AND BROUGHT BEFORE THE BOARD FOR DISCUSSION AND POSSIBLE ACTION.

VOTE 5/0

E. District Budget for Fiscal Year Ending June 30, 2026

1. Hospital District's Fixed Costs and Recurring Costs for fiscal year 2026-2027.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO DEFER DISCUSSION AND POSSIBLE ACTION AS THE DOCUMENT CONTAINED IN THE AGENDA PACKET WAS A STRAWMAN ARCHITECTURE PLAN TO BE USED TO PROVIDE KRMC CONTROLLER, BARRY MOORE, WITH BUDGTARY INFORMATION NECESSARY TO MEET THE ARIZONA REVISED STATUTE FOR FILING AN ANNUAL HOSPITAL DISTRICT OPERATIONAL BUDGET REPORT TO THE MOHAVE COUNTY TREASURER'S OFFICE AND THE MOHAVE COUNTY BOARD OF SUPERVISORS.

VOTE 5/0

2. **Google Workspace: The Trial period for the Google Workspace ended 5/28/2026. In order to receive this trial period, Katie Tacheron used her personal credit card to secure the service. While an invoice has not been**

generated by Ms. Tacheron's credit card company, prior approval for reimbursement is being requested.

ACTION: NO BOARD ACTION NEEDED AT THIS TIME AS THIS AGENDA ITEM WAS PLACED FOR INFORMATION ONLY.

3. **Hospital District's Annual Budget for fiscal year ending June 30, 2027. This report also includes a cash projection with currently agreed upon Intergovernmental Agreement's (IGA's) for fiscal year 2026-2028.**

ACTION: MOTION MADE BY BOARD MEMBER BOEGLER AND SECONDED BY BOARD MEMBER MARSH TO APPROVE THE KRMC CONTROLLER'S ANNUAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2027 WITH TWO CHANGES AS FOLLOWS: (1) UNDER "OTHER INCOME – OTHER (REIMBURSE ADMIN COSTS FROM KRMC)," LAST COLUMN (ESTIMATED BUDGET FY 2027) CHANGED FROM 161,143 TO 233,623. (2) UNDER "EXCESS REVENUES OVER EXPENSES" CHANGED FROM 526,445 TO 598,925.

ACTION: BOARD MEMBER SMITH REQUESTED THE EXECUTIVE ASSISTANT PROVIDE A REVISED COPY OF THE ANNUAL BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2027 TO ALL BOARD MEMBERS.

VOTE: 5/0

V. OLD BUSINESS

A. Addendums for the basic D & O Insurance policy approved at the May 5, 2026 meeting.

1. EPL coverage.

ACTION: MOTION MADE BY BOARD MEMBER BOEGLER AND SECONDED BY BOARD MEMBER NEWMYER TO DEFER DISCUSSION AND POSSIBLE ACTION UNTIL SUCH TIME AS A MORE CRITICAL REVIEW CAN BE ACHIEVED BY EACH BOARD MEMBER.

VOTE: 5/0

2. Cyber coverage.

   Discussion ensued when Board Member Newmyer queried what exactly the cyber coverage entailed to which Board Member Marsh stated while the policy appears broad it covers areas such as, but not limited to, support for payment fraud, vendor fraud.

   ACTION: MOTION MADE BY BOARD MEMBER BOEGLER AND SECONDED BY BOARD MEMBER MARSH TO ACCEPT THE CYBER COVERAGE ADDENDUM TO THE ALREADY APPROVED BASIC D & O BOARD INSURANCE AT AN ANNUAL RATE OF $2,523.24. BOARD CHAIRMAN KATIE TACHERON TO MEET WITH THE KRMC RISK MANAGEMENT INDIVIDUAL TO FACILITATE PURCHASE.

   VOTE 5/0

3. **Digitalize all Hospital District Board records.**

   Discussion ensued with Board Member Smith expressing concern with having a backup record storage plan, like the cloud, in case of untoward damage. No further discussion occurred relative to Board Member Smith's concern. Board Member Newmyer asked for further clarification of the process to be undertaken, with a response noted in the motion.

   ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER SMITH TO SEND ALL RECORDS TO BE DIGITIZED BY DOCUFREE AND THEN DOCUFREE FORWARDS ALL RECORDS (DIGITALIZED AND PAPER) TO THE ARIZONA STATE ARCHIVES FOR PERMANENT STORAGE IN A CLIMATE CONTROLLED FACILITY. SUBSEQUENTLY, AND ON AN ANNUAL BASIS, DOWNLOAD ALL RECORDS ONTO A THUMB DRIVE, WHICH WOULD THEN BE SENT TO THE ARIZONA STATE ACHIVES FOR STORAGE.

   VOTE 5/0

4. A "Status-only" update on Lease agreement discussions between the Hospital District Board and Kingman Healthcare Incorporated (KHI) dba Kingman Regional Medical Center (KRMC).

   Discussion ensued with Board Member Smith asking when the current lease expires to which Board Member Marsh replied it is auto renewed until a new lease is presented for Board review and possible approval.

   ACTION: A BRIEF UPDATE WAS PROVIDED BY BOARD MEMBER MARSH STATING LEASE TALKS CONTINUE AND ARE MOVING FORWARD WITH ALL THE NECESSARY REVIEWS BEING CONDUCTED. IT IS ANTICIPATED AN UPDATED LEASE AGREEMENT BETWEEN KHI DBA KRMC AND THE HOSPITAL DISTRICT WILL BE FORTHCOMING THE THIRD QUARTER OF THIS YEAR.

   NO VOTE AS THIS ITEM WAS INFORMATIONAL ONLY. NO FURTHER ACTION DEEMED NECESSARY AT THIS TIME.

VI. NEW BUSINESS – None to be presented

VII. CALL TO THE PUBLIC – DUE TO THE LENGTH OF THE MEETING THERE WILL BE NO CALL TO THE PUBLIC.

VIII. ADJOURNMENT

ACTION: WITH NO FURTHER BUSINESS TO DISCUSS A MOTION WAS MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO ADJOURN AT 2:45P.M.

THE NEXT REGULAR SESSION BOARD MEETING IS ANTICIPATED TO OCCUR IN JULY 2026; AGENDA FORTHCOMING.

Respectfully submitted by Catherine Furtado on behalf of:

Katie Tacheron, Hospital District Number One of Mohave County Board Chairman

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
3269 STOCKTON HILL ROAD
KINGMAN, ARIZONA 86409

June 16, 2026

Mohave County Board of Supervisors
P.O. Box 7000
Kingman, AZ 86402

RE: Annual Operational Budget Report - Fiscal Year Ending JUNE 30, 2027

Gentlemen:

In accordance with the Arizona Revised Statutes, the Hospital District Board respectfully submits to you our report on the operations of the District for the fiscal year ending June 30, 2027.

The following people are members of the Board of Directors for the terms appearing opposite their respective names:

NAME	TERM EXPIRING	HOW SERVING	OFFICE HELD
Katie Tacheron	November 2028	Appointed	Chairman
Teresa Boegler	November 2026	Appointed	Vice Chairman
Logan Marsh	November 2026	Appointed	Director
Carol Newmyer, M.D.	November 2028	Appointed	Director
Leanne Smith	November 2028	Appointed	Director

The District's designated legal counsel is Thomas Price, Esq.

The District's Operating Budget for fiscal year ending June 30, 2027 is attached to this Document. The Board is not requesting any tax increases to fund the operations of the District for the fiscal year ending June 30, 2027.

Dated this 16th day of June 2026 and respectfully submitted by Catherine Furtado, Hospital District Board Executive Assistant on behalf of Katie Tacheron, Chairman

Attachment: Hospital District Board Operational Budget for Fiscal Year Ending June 30, 2027

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
ANNUAL BUDGET
Fiscal Year Ending June 30, 2027

	Budget FY 2026	FY 2026 Actual 03/31/2026	Projected YE FY 2026	Estimated Budget FY 2027
Revenues:				
Operating Revenue				
Lease income	922,065	1,001,298	1,335,064	1,200,000
Lease income amortization	-	-	-	-
Total Operating Revenue	$ 922,065	1,001,298	1,335,064	1,200,000
Expenses:				
Operating Expenses				
Fees-Secretary	-	846	1,200	12,000
Fees-Legal	2,500	12,474	20,000	25,000
Fees-Audit	20,000	-	20,475	20,000
Elections	50,000	115	-	50,000
Other Professional Services (D&O Insurance)	21,110	-	21,110	21,110
Depreciation	100,000	63,765	85,020	85,000
Community Donations	3,306,160	1,578,704	1,630,795	516,075
Fixed Costs for Office Set-up	-	-	-	45,033
Recurring Costs				60,480
Total Expenses	$ 3,499,770	1,655,904	1,778,600	834,698
Income from Operations	(2,577,705)	(654,606)	(443,536)	365,302
Other Income	-			-
Lease Interest Income	275,192	301,211	401,615	-
Other (reimburse admin costs from KRMC)	93,610	12,589	61,585	233,623
Change in unrealized (losses) gains on investments	-	34	68	-
Other non-operating				
Excess Revenues Over Expenses	$ (2,208,903)	(340,772)	19,732	598,925

GASB 87 change	-
depreciation	85,000

Hospital District 1 of Mohave County
Balance Sheet Summary
For Period End 3/31/2026

	Prior Fiscal Year Begin Balance	2/28/2026 Balance to Date	3/31/2026 Balance to Date	Fiscal Year Net Change	Last Year Year to Date
CURRENT ASSETS					
CASH	2,475,819	1,965,804	2,061,576	(414,243)	(527,983)
SHORT TERM INVESTMENTS	0	0	0	0	0
ALLOWANCE ON TREAS INVESTMENTS	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0
PREPAID IGA	0	0	0	0	1,815,400
OTHER CURRENT ASSETS	33,132	32,760	32,521	(611)	1,912
TOTAL CURRENT ASSETS	**2,508,951**	**1,998,564**	**2,094,097**	**(414,854)**	**1,289,329**
PROPERTY PLANT AND EQUIPMENT					
LAND	49,348	49,348	49,348	0	0
LAND IMPROVEMENTS	755,360	755,360	755,360	0	0
BUILDINGS	0	0	0	0	0
BUILDING IMPROVEMENTS	8,393,327	8,393,327	8,393,327	0	0
EQUIPMENT	8,456,239	8,456,239	8,456,239	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0
LESS: ACCUM DEPRECIATION	(16,989,434)	(17,053,199)	(17,053,199)	(63,765)	(76,542)
PP&E NET	**664,840**	**601,075**	**601,075**	**(63,765)**	**(76,542)**
OTHER ASSETS					
RENT RECEIVABLE-KRMC	0	0	4,228	4,228	(21,110)
LEASE RECEIVABLES	9,758,994	9,228,056	9,160,816	(598,178)	(1,461,476)
TOTAL OTHER ASSETS	**9,758,994**	**9,228,056**	**9,165,044**	**(593,950)**	**(1,482,586)**
TOTAL ASSETS	**12,932,785**	**11,827,695**	**11,860,216**	**(1,072,569)**	**(269,799)**
LIABILITIES AND FUND BALANCE					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	0	0	0	0	(1,350,649)
ACCOUNTS PAYBLE IGA	1,976,093	2,244,748	2,244,748	268,655	1,361,550
CURR PORTION DEFERRED INCOME	0	0	0	0	0
DEFERRED INFLOW OF RESOURCES	13,350,641	12,460,598	12,349,342	(1,001,298)	(1,038,857)
TOTAL CURRENT LIABILITIES	**15,326,734**	**14,705,346**	**14,594,090**	**(732,643)**	**(1,027,956)**
OTHER LIABILITIES AND FUND BALANCE					
DEFERRED RENTAL INCOME	0	0	0	0	0
CONTRIBUTED CAPITAL	208,613	208,613	208,613	0	0
CHANGE IN NET ASSETS	0	483,702	339,926	339,926	(758,156)
RETAINED EARNINGS	(2,602,561)	(2,602,561)	(2,602,561)	0	0
TOTAL LIABILITIES AND FUND BALANCE	**12,932,786**	**11,827,696**	**11,860,216**	**(1,072,569)**	**(269,800)**

Hospital District 1 of Mohave County
Statement of Revenue and Expenses
AS OF PERIOD END 3/31/2026

	3/31/2026 CURR MONTH	2/28/2026 PRIOR MONTH	CHANGE	CURRENT YEAR YTD	PRIOR YEAR YTD	YEAR TO DATE CHANGE
INCOME						
LEASE INCOME	111,255	111,255	0	1,001,298	1,038,857	(37,559)
MISCELLANEOUS INCOME	0	0	0	0	0	0
TOTAL INCOME	**111,255**	**111,255**	**0**	**1,001,298**	**1,038,857**	**(37,559)**
EXPENSES						
FEES-SECRETARY	0	0	0	0	0	0
FEES-LEGAL	4,228	0	4,228	12,474	416	12,058
FEES-AUDIT	0	0	0	0	0	0
ELECTIONS	0	0	0	115	0	115
OTHER PROFESSIONAL SERVICES	0	0	0	0	0	0
DEPRECIATION	0	7,296	(7,296)	63,765	76,542	(12,776)
COMMUNITY DONATIONS	0	0	0	1,578,704	544,610	1,034,094
OFFICE SUPPLIES	0	0	0	0	0	0
WEBSITE EXPENSES	0	0	0	0	0	0
TOTAL EXPENSES	**4,228**	**7,296**	**(3,068)**	**1,655,058**	**621,568**	**1,033,491**
OTHER INCOME						
LEASE INTEREST INCOME	32,521	32,760	(239)	301,211	340,436	(39,225)
INTEREST INCOME-INVESTMENT	0	0	0	0	0	0
EXPENSE REIMBURSEMENT-KRMC	4,228	0	4,228	12,589	416	12,173
GAIN/LOSS ON SALE OF ASSET	0	0	0	0	0	0
TOTAL OTHER INCOME	**36,749**	**32,760**	**3,989**	**313,800**	**340,852**	**(27,052)**
REALIZED GAIN/LOSS ON INVESTMENT	0	0	0	34	15	19
UNREALIZED GN/LS ON INVESTMENT	0	0	0	0	0	0
NET INCOME	**143,776**	**136,719**	**7,057**	**(339,926)**	**758,156**	**(1,098,083)**

Hospital District 1 of Mohave County
Balance Sheet Summary
For Period End 4/30/2026

	Prior Fiscal Year Begin Balance	3/31/2026 Balance to Date	4/30/2026 Balance to Date	Fiscal Year Net Change	Last Year Year to Date
CURRENT ASSETS					
CASH	2,475,819	2,061,576	2,161,576	(314,243)	(327,983)
SHORT TERM INVESTMENTS	0	0	0	0	0
ALLOWANCE ON TREAS INVESTMENTS	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0
PREPAID IGA	0	0	0	0	1,815,400
OTHER CURRENT ASSETS	33,132	32,521	32,281	(851)	1,296
TOTAL CURRENT ASSETS	**2,508,951**	**2,094,097**	**2,193,857**	**(315,094)**	**1,488,713**
PROPERTY PLANT AND EQUIPMENT					
LAND	49,348	49,348	49,348	0	0
LAND IMPROVEMENTS	755,360	755,360	755,360	0	0
BUILDINGS	0	0	0	0	0
BUILDING IMPROVEMENTS	8,393,327	8,393,327	8,393,327	0	0
EQUIPMENT	8,456,239	8,456,239	8,456,239	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0
LESS: ACCUM DEPRECIATION	(16,989,434)	(17,053,199)	(17,067,792)	(78,358)	(84,608)
PP&E NET	**664,840**	**601,075**	**586,482**	**(78,358)**	**(84,608)**
OTHER ASSETS					
RENT RECEIVABLE-KRMC	0	4,228	4,228	4,228	(21,110)
LEASE RECEIVABLES	9,758,994	9,160,816	9,093,337	(665,657)	(1,626,488)
TOTAL OTHER ASSETS	**9,758,994**	**9,165,044**	**9,097,565**	**(661,429)**	**(1,647,598)**
TOTAL ASSETS	**12,932,785**	**11,860,216**	**11,877,904**	**(1,054,881)**	**(243,493)**
LIABILITIES AND FUND BALANCE					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	0	0	0	0	(1,350,649)
ACCOUNTS PAYBLE IGA	1,976,093	2,244,748	2,244,748	268,655	1,361,550
CURR PORTION DEFERRED INCOME	0	0	0	0	0
DEFERRED INFLOW OF RESOURCES	13,350,641	12,349,342	12,238,087	(1,112,553)	(1,154,285)
TOTAL CURRENT LIABILITIES	**15,326,734**	**14,594,090**	**14,482,835**	**(843,898)**	**(1,143,384)**
OTHER LIABILITIES AND FUND BALANCE					
DEFERRED RENTAL INCOME	0	0	0	0	0
CONTRIBUTED CAPITAL	208,613	208,613	208,613	0	0
CHANGE IN NET ASSETS	0	339,926	210,983	210,983	(899,889)
RETAINED EARNINGS	(2,602,561)	(2,602,561)	(2,602,561)	0	0
TOTAL LIABILITIES AND FUND BALANCE	**12,932,786**	**11,860,216**	**11,877,904**	**(1,054,881)**	**(243,495)**

Hospital District 1 of Mohave County
Statement of Revenue and Expenses
AS OF PERIOD END 4/30/2026

	4/30/2026 CURR MONTH	3/31/2026 PRIOR MONTH	CHANGE	CURRENT YEAR YTD	PRIOR YEAR YTD	YEAR TO DATE CHANGE
INCOME						
LEASE INCOME	111,255	111,255	0	1,112,553	1,154,285	(41,732)
MISCELLANEOUS INCOME	0	0	0	0	0	0
TOTAL INCOME	**111,255**	**111,255**	**0**	**1,112,553**	**1,154,285**	**(41,732)**
EXPENSES						
FEES-SECRETARY	0	0	0	0	0	0
FEES-LEGAL	0	4,228	(4,228)	12,474	416	12,058
FEES-AUDIT	0	0	0	0	0	0
ELECTIONS	0	0	0	115	0	115
OTHER PROFESSIONAL SERVICES	0	0	0	0	0	0
DEPRECIATION	14,593	0	14,593	78,358	84,608	(6,250)
COMMUNITY DONATIONS	0	0	0	1,578,704	544,610	1,034,094
OFFICE SUPPLIES	0	0	0	0	0	0
WEBSITE EXPENSES	0	0	0	0	0	0
TOTAL EXPENSES	**14,593**	**4,228**	**10,365**	**1,669,651**	**629,634**	**1,040,017**
OTHER INCOME						
LEASE INTEREST INCOME	32,281	32,521	(240)	333,492	374,807	(41,315)
INTEREST INCOME-INVESTMENT	0	0	0	0	0	0
EXPENSE REIMBURSEMENT-KRMC	0	4,228	(4,228)	12,589	416	12,173
GAIN/LOSS ON SALE OF ASSET	0	0	0	0	0	0
TOTAL OTHER INCOME	**32,281**	**36,749**	**(4,468)**	**346,081**	**375,223**	**(29,142)**
REALIZED GAIN/LOSS ON INVESTMENT	0	0	0	34	15	19
UNREALIZED GN/LS ON INVESTMENT	0	0	0	0	0	0
NET INCOME	**128,943**	**143,776**	**(14,833)**	**(210,983)**	**899,889**	**(1,110,872)**

Hospital District 1 of Mohave County
Balance Sheet Summary
For Period End 5/31/2026

	Prior Fiscal Year Begin Balance	4/30/2026 Balance to Date	5/31/2026 Balance to Date	Fiscal Year Net Change	Last Year Year to Date
CURRENT ASSETS					
CASH	2,475,819	2,161,576	159,251	(2,316,569)	(581,785)
SHORT TERM INVESTMENTS	0	0	0	0	0
ALLOWANCE ON TREAS INVESTMENTS	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0
PREPAID IGA	0	0	0	0	1,815,400
OTHER CURRENT ASSETS	33,132	32,281	32,041	(1,091)	677
TOTAL CURRENT ASSETS	**2,508,951**	**2,193,857**	**191,292**	**(2,317,660)**	**1,234,292**
PROPERTY PLANT AND EQUIPMENT					
LAND	49,348	49,348	49,348	0	0
LAND IMPROVEMENTS	755,360	755,360	755,360	0	0
BUILDINGS	0	0	0	0	0
BUILDING IMPROVEMENTS	8,393,327	8,393,327	8,393,327	0	0
EQUIPMENT	8,456,239	8,456,239	8,456,239	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0
LESS: ACCUM DEPRECIATION	(16,989,434)	(17,067,792)	(17,075,088)	(85,654)	(92,675)
PP&E NET	**664,840**	**586,482**	**579,186**	**(85,654)**	**(92,675)**
OTHER ASSETS					
RENT RECEIVABLE-KRMC	0	4,228	5,928	5,928	(21,110)
LEASE RECEIVABLES	9,758,994	9,093,337	9,025,618	(733,376)	(1,792,118)
TOTAL OTHER ASSETS	**9,758,994**	**9,097,565**	**9,031,546**	**(727,448)**	**(1,813,228)**
TOTAL ASSETS	**12,932,785**	**11,877,904**	**9,802,024**	**(3,130,762)**	**(671,611)**
LIABILITIES AND FUND BALANCE					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	0	0	0	0	(1,350,649)
ACCOUNTS PAYBLE IGA	1,976,093	2,244,748	144,092	(1,832,000)	907,700
CURR PORTION DEFERRED INCOME	0	0	0	0	0
DEFERRED INFLOW OF RESOURCES	13,350,641	12,238,087	12,126,832	(1,223,809)	(1,269,714)
TOTAL CURRENT LIABILITIES	**15,326,734**	**14,482,835**	**12,270,924**	**(3,055,809)**	**(1,712,663)**
OTHER LIABILITIES AND FUND BALANCE					
DEFERRED RENTAL INCOME	0	0	0	0	0
CONTRIBUTED CAPITAL	208,613	208,613	208,613	0	0
CHANGE IN NET ASSETS	0	210,983	74,952	74,952	(1,041,053)
RETAINED EARNINGS	(2,602,561)	(2,602,561)	(2,602,561)	0	0
TOTAL LIABILITIES AND FUND BALANCE	**12,932,786**	**11,877,904**	**9,802,024**	**(3,130,761)**	**(671,610)**

Hospital District 1 of Mohave County
Statement of Revenue and Expenses
AS OF PERIOD END 5/31/2026

	5/31/2026 CURR MONTH	4/30/2026 PRIOR MONTH	CHANGE	CURRENT YEAR YTD	PRIOR YEAR YTD	YEAR TO DATE CHANGE
INCOME						
LEASE INCOME	111,255	111,255	0	1,223,809	1,269,714	(45,905)
MISCELLANEOUS INCOME	0	0	0	0	0	0
TOTAL INCOME	**111,255**	**111,255**	**0**	**1,223,809**	**1,269,714**	**(45,905)**
EXPENSES						
FEES-SECRETARY	0	0	0	0	0	0
FEES-LEGAL	5,928	0	5,928	18,402	416	17,986
FEES-AUDIT	0	0	0	0	0	0
ELECTIONS	0	0	0	115	0	115
OTHER PROFESSIONAL SERVICES	0	0	0	0	0	0
DEPRECIATION	7,296	14,593	(7,296)	85,654	92,675	(7,021)
COMMUNITY DONATIONS	0	0	0	1,578,704	544,610	1,034,094
OFFICE SUPPLIES	0	0	0	0	0	0
WEBSITE EXPENSES	0	0	0	0	0	0
TOTAL EXPENSES	**13,224**	**14,593**	**(1,368)**	**1,682,875**	**637,701**	**1,045,174**
OTHER INCOME						
LEASE INTEREST INCOME	32,041	32,281	(240)	365,533	408,560	(43,027)
INTEREST INCOME-INVESTMENT	0	0	0	0	0	0
EXPENSE REIMBURSEMENT-KRMC	5,928	0	5,928	18,517	416	18,101
GAIN/LOSS ON SALE OF ASSET	0	0	0	0	0	0
TOTAL OTHER INCOME	**37,969**	**32,281**	**5,688**	**384,050**	**408,976**	**(24,926)**
REALIZED GAIN/LOSS ON INVESTMENT	30	0	30	64	64	0
UNREALIZED GN/LS ON INVESTMENT	0	0	0	0	0	0
NET INCOME	**136,030**	**128,943**	**7,086**	**(74,952)**	**1,041,053**	**(1,116,005)**

Fund Balance Report

Starting 5/1/26 Ending 5/31/26
Funds 6357667

Account / Date	Reference	Description	Debits	Credits	Balance
Fund 6357667 Hospital District #1					
6357667-11001	**Cash w/Treas**	**Beginning Balance**			**$2,161,576.35**
5/1/26	JE 14691 / Transfer - Hosp Dist #1 for AHCCCS - APSI / wittrj			($412,860.00)	$1,748,716.35
5/7/26	HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY		$100,000.00		$1,848,716.35
5/7/26	HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY		$4,227.88		$1,852,944.23
5/11/26	JE 14726 / Lehman Custody Recovery APR 2026 / wittrj		$29.97		$1,852,974.20
5/18/26	JE 14746 / WARRANTS / godina			($5,928.00)	$1,847,046.20
5/27/26	JE 14772 / Hospital #1 AHCCCS 2025 IGA GME / marshb			($1,687,795.40)	$159,250.80
		Ending Balance	**$104,257.85**	**($2,106,583.40)**	**$159,250.80**
6357667-21001	**Fund Balance**	**Balance Forward**			**($2,475,819.44)**
6357667-33001	**Interest on Treasurer's Invest**	**Beginning Balance**			**($34.24)**
5/11/26	JE 14726 / Lehman Custody Recovery APR 2026 / wittrj			($29.97)	($64.21)
		Ending Balance	**$0.00**	**($29.97)**	**($64.21)**
6357667-36050	**Misc County Rects & Reimb**	**Beginning Balance**			**($52,090.55)**
5/7/26	HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY			($4,227.88)	($56,318.43)
		Ending Balance	**$0.00**	**($4,227.88)**	**($56,318.43)**
6357667-36085	**"Rent ,sales & Misc. Receipts"**	**Beginning Balance**			**($1,003,952.00)**
5/7/26	HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY			($100,000.00)	($1,103,952.00)
		Ending Balance	**$0.00**	**($100,000.00)**	**($1,103,952.00)**
6357667-41002	**Warrant Redeemed**	**Beginning Balance**			**$8,179.88**
5/18/26	JE 14746 / WARRANTS / godina		$5,928.00		$14,107.88
		Ending Balance	**$5,928.00**	**$0.00**	**$14,107.88**
6357667-42002	**Misc Disbursements**	**Beginning Balance**			**$1,362,140.00**
5/1/26	JE 14691 / Transfer - Hosp Dist #1 for AHCCCS - APSI / wittrj		$412,860.00		$1,775,000.00
5/27/26	JE 14772 / Hospital #1 AHCCCS 2025 IGA GME / marshb		$1,687,795.40		$3,462,795.40
		Ending Balance	**$2,100,655.40**	**$0.00**	**$3,462,795.40**
6357667-51001	**Rev Trans**	**Balance Forward**			**$0.00**
6357667-52001	**Exp Trans**	**Balance Forward**			**$0.00**
	Hospital District #1	**Starting Balance**			**$0.00**
		Ending Balance			**$0.00**

From: Thomas Price
Sent: Tuesday, June 9, 2026 3:41 PM
To: hospitaldistrict1mohavecounty@gmail.com <hospitaldistrict1mohavecounty@gmail.com>
Subject: District's Credit Card

48-5561. Deposit of district monies
A. All special health care district monies from any source shall be deposited with the county treasurer to the credit of the district and shall be paid out only on warrants approved by the district's board of directors. All district monies may be included in the county treasurer's investment pool.
B. All private investment of the district's monies is prohibited. Warrants may be issued only to pay for necessary operational expenses, including, but not limited to, lawful claims against the district, district employee payroll and contractual obligations of the district. Warrants may not be issued for investment purposes.
C. For banking purposes, the district shall use the same bank as the bank used by the county and county treasurer as their servicing bank. The district may not establish or maintain an account with any other bank.
This statute applies only to Special Health Care Districts. These districts are established pursuant to Arizona Revised Statutes Section 48-5501.01.

48-5501.01. Establishment of special health care district
A. In a county with a population of two million or more persons, the county board of supervisors may submit to a vote of the qualified electors the question of forming a special health care district. The board of supervisors may submit as a single issue the question of forming the special health care district with authority to impose a secondary property tax pursuant to sections 48-5563 and 48-5565 and bonding authority. A special health care district formed pursuant to this section shall be geographically coterminous with the county boundaries, and the qualified electors of the county are qualified electors for any election held pursuant to this section.
B. If a majority of the qualified electors voting on the issue approves the formation of the special health care district, the board of supervisors shall order the establishment of the special health care district and shall serve as the board of directors of the district until directors are elected at the next general election as prescribed by section 48-5541.01. The order of the board of supervisors establishing the special health care district is final, and the special health care district is established on issuance of the order establishing the district.
C. The board of supervisors may also include at the formation election or at any other election called for that purpose the question of issuance of bonds pursuant to section 48-5566. Any election that includes the question of issuance of bonds must be held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection B, paragraph 1, subdivision (d).
D. A special health care district is a tax levying public improvement district for all purposes of article XIII, section 7, Constitution of Arizona, to the extent of the powers, privileges and

immunities conferred by this chapter or granted generally to tax levying public improvement districts by the constitution and statutes of this state.
E. If a special health care district is established pursuant to this section, beginning in the fiscal year that county health care system operations are transferred to the district, the economic estimates commission shall decrease the county's base expenditure limit as provided by section 41-563 by an amount determined as follows:
1. Divide the amount of the county's expenditures subject to limitation that pertain to the transferred health care system operations for the preceding fiscal year, as determined by the auditor general from the annual expenditure limitation report of the county, by the GDP price deflator, as defined in section 41-563, for that fiscal year used to calculate expenditure limitations for the fiscal year of the transfer.
2. Multiply the quotient by the GDP price deflator determined for fiscal year 1979-1980.
3. Divide the amount determined in paragraph 2 for the fiscal year of the transfer by the population of the county, as defined in article IX, section 20, subsection (3), paragraph (f), Constitution of Arizona, for the same fiscal year used to calculate expenditure limitations for the fiscal year of the transfer.
4. Multiply the quotient by the population of the county for fiscal year 1979-1980.

Hospital District One of Mohave County is not a Special Health Care District. Hospital District One of Mohave County is established through Arizona Revised Statutes Sections 48-1901 through 48-1919. Arizona Revised Statutes Section 48-1915 requires that all monies received by the hospital district be deposited with the county treasurer. It further requires that the monies to be paid out only on warrants. I think this is going to be a problem with a credit card.

48-1915. Deposit and payment of district monies; investment and reinvestment of sinking fund
A. Monies received for a hospital district from any source shall be deposited with the county treasurer of the organizing county to the credit of the hospital district, and paid out only on warrants approved by the board of directors of the district.
B. The board of directors of the district, with the consent of the board of supervisors, may invest and reinvest all monies belonging or credited to the district as a sinking fund. The investment shall be made for the best interests of the district.
C. The monies in the fund may be invested and reinvested under the authority of the federal farm credit act of 1933, or invested and reinvested in any of the following:
1. Bonds or other evidences of indebtedness of the United States of America or any of its agencies or instrumentalities when such obligations are guaranteed as to principal and interest by the United States of America or by any agency or instrumentality thereof.
2. Bonds or other evidences of indebtedness of this state or of any of the counties, incorporated cities or towns or duly organized school districts of this state.
3. Bonds, notes or evidences of indebtedness of any county, municipality or municipal district utility within this state that are payable from revenues or earnings specifically pledged for the payment of the principal and interest on such obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being

maintained, but only if no default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment therein, or, if such obligations were issued less than five years prior to the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased, nor on any other obligations of the issuer within five years of such an investment.
4. Bonds, notes or evidences of indebtedness issued by any municipal improvement district in this state to finance local improvements authorized by law, if the principal and interest of such obligations are payable from assessments on real property within such a local improvement district. No such investment shall be made if the face value of all such obligations, and similar obligations outstanding, exceed fifty percent of the market value of the real property and improvements on which such bonds or the assessments for the payment of principal and interest thereon are liens inferior only to the liens for general ad valorem property taxes. Such an investment shall be made only if no default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment therein, or, if such obligations were issued less than five years prior to the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased, nor on any other obligation of the issuer within five years of such an investment.
5. Interest-bearing saving accounts or certificates of deposit insured in banks or savings and loan associations doing business in Arizona by the federal deposit insurance corporation, or the federal savings and loan insurance corporation, but only if they are secured by the depository to the same extent and in the same manner as required by the general depository law of the state. Security shall not be required for that portion of any deposit that is insured under any law of the United States.
6. Deposits placed in accordance with the procedures prescribed in section 35-323.01.
D. The purchase of the securities shall be made by the county treasurer on authority of a resolution of the board of directors, approved by the board of supervisors. The county treasurer shall be the custodian of all securities so purchased. The bonds may be sold on an order of the board of directors with the consent of the board of supervisors.
E. All monies earned as interest or otherwise derived by virtue of this section shall be credited to the sinking fund.

Number of Months 12

DRAFT

FIXED COSTS (2026)

Category	Estimate	Notes
Cost of holding an election if necessary		Cost of support from the election office is $50000 if its required. Already part of Barry's spreadsheet
6 Cell phones	700	Google phones purchased May 2026
Printer copier	1000	
IT support		setup, equipment,
Digitizing existing records	5000	Teresa you'll need to provide estimate
Board Web site creation	3305	Professional design/build, public-facing site, higher range estimate
Email migration, account setup	300	Reallly needs review
Adobe Acrobat Pro		
Laptops or Tablets	5000	5 each for board members
Amazon Periferals		
Misc furniture for office	200	Includes coffee machine, Coffee supplies, whiteboard, small fridge, small table,
HP EliteBook 8 G1a 14" IPS Touchscreen	2600	Laptop for admin assistant
Shredder	300	
TOTAL	18405	

RECURRING MONTHLY COSTS DRAFT

Category	Estimate	Notes
Rent	2525	Assumes renting furnished space in the Mohave County building, utilites are included, includes staff salaries such as security, cleaning, certain supplies such as bathroom
Board Insurance		Policy price in 2026 is $22000, plus additional $2400 for Cyber coverage
Legal Survices		Currently high due to separation of Board from Hospital
Office Supplies	600	Paper, ink, pens, notebooks, binders,
Cell phone plans for 6 people	600	6 cell phones plans
Internet provider		
Staff Salary		
Annual Audit Fee		Currently the audit is approx $20000/year
On-going costs for digitizing records		Teresa to provide
On-going costs for web maintenance	150	24 hours per year for web maintenance
AdobePro annual subscription	24 (monthly)	1 license; (Annual fee is $287.88)
IT Staff for auditorium board meetings	80	40 per person per hour
Microsoft 365 Premium	20	6 Users; (Premium @$199.99/year)
Total Average Monthly Costs	3975	
x Number of Months	47700	

TOTAL COSTS

SURPLUS (DEFICIT)

Blue Cash Preferred® from American Express

KATHRYN E TACHERON
Closing Date 06/11/26

Account Ending [redacted]

Customer Care & Billing Inquiries	**1-888-258-3741**
International Collect	1-336-393-1111
Cash Advance at ATMs Inquiries	1-800-CASH-NOW
Large Print & Braille Statements	**1-888-258-3741**

Hearing Impaired
Online chat at **americanexpress.com** or use **Relay dial 711** and **1-888-258-3741**

Website: americanexpress.com

Customer Care & Billing Inquiries
P.O. BOX 981535
EL PASO, TX
79998-1535

Payments
PO BOX 60189
CITY OF INDUSTR
CA
91716-0189

002487 2/3

Payments and Credits

Summary

	Total
Payments	[redacted]
Credits	$0.00
Total Payments and Credits	[redacted]

Detail *Indicates posting date

Payments		**Amount**
06/01/26*	PAYMENT RECEIVED - THANK YOU	[redacted]

New Charges

Summary

	Total
Total New Charges	[redacted]

Detail

KATHRYN E TACHERON
Card Ending 5-11008

				Amount
05/13/26	GOOGLE *WORKSPACE_HD1M BUSINESS SERVICE	CC@GOOGLE.COM	CA	$6.00
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
06/01/26	GOOGLE*WORKSPACE_HD1MC.ORG 123123123 / helppay@googl	MOUNTAIN VIEW	CA	$27.61
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
06/03/26	GOOGLE*FI 7F2LTV GOOGLE PAYMENT TELECOM SERVICE	G.CO HELPPAY#		$50.10

Continued on reverse

Gmail

Catherine Furtado <cfhd1board@gmail.com>

Re-Review of EPL Addendum to Basic D & O Insurance Policy

1 message

Catherine Furtado <cfhd1board@gmail.com> Sat, Jun 6, 2026 at 12:37 PM
To: Carol Newmyer <cuttingedge86401@gmail.com>, Leanne Hoagland-Smith <LeanneHoaglandSmith@gmail.com>, Logan Marsh <logan@hd1mc.org>, Teresa Boegler <teresab.edv@gmail.com>
Cc: Katie Tacheron <ktacheron@gmail.com>

Board Members:

At the request of your chairman, I have been asked to resend the attached EPL addendum for your review prior to the July 14, 2026 Board Meeting. Please review the attached and be prepared to say Nay or Yea.

EPL Information

"Intact" has offered 3 EPL limit options to combine with D&O and they are as follows. These would be separate limits and not shared limits with the D&O.

- Option 1: 1M limits x $10k deductible - $21,730 + $600 Broker Fee = $22,230 ($1,311 more that standalone D&O to include 1M EPL)
- Option 2: 3M limits x $10k deductible - $22,714 + $600 Broker Fee = $23,314 ($2,295 more that standalone D&O to include 3M EPL)
- Option 3: 5M limits x $10k deductible - $23,395 + $600 Broker Fee = $23,995 ($2,976 more that standalone D&O to include 5M EPL)

Respectfully,

Catherine Furtado

To ensure compliance with Open Meeting Laws, recipients of this message should not forward to other members of the Board. Members of the Board may reply to this message, but they should not send a copy of their reply to other members.

Hospital District Number One of Mohave County - Intact D&O + EPL Options (1) (2).pdf
5191K

When Recorded Return to
Clerk of the Board
Mohave County Board of Supervisors
P.O. Box 7000
Kingman, AZ 86402-7000

MOHAVE COUNTY PROPERTY LEASE AGREEMENT

This Lease is made and entered into by and between Mohave County, Arizona, by and through its Board of Supervisors (hereinafter "Lessor"), and the Hospital District #1 of Mohave County, a special taxing district (hereinafter "Lessee").

RECITALS

WHEREAS, Lessor owns real property located at 700 W. Beale St. Kingman, Arizona 86402:

> Within the County Administration Building located at the above address the Lessee will lease rooms: Room A1003, A1004, and A1006.

WHEREAS, Lessee desires to lease office, conference, and storage space from Lessor and utilize the Board of Supervisors Auditorium at a specified date and time, subject to availability; and

WHEREAS, Lessee is a solely a special taxing district formed under Chapter 13 of Title 48 of the Arizona Revised Statutes that will use the Premises for activities by Hospital District #1 of Mohave County.; and

WHEREAS, Lessor is authorized to enter into this Lease pursuant to A.R.S. § 11-251(9); and

NOW THEREFORE, the parties to this Lease, in consideration of the mutual covenants set forth herein, agree as follows:

1. <u>Incorporation of Recitals</u>.

    a. The Recitals set forth above are true and correct and are incorporated into this Agreement.

2. <u>Lease Term</u>.

    a. The term of this Lease Agreement shall be for a period of five (5) years, commencing September 1, 2026, and ending on August 31, 2031.

3. <u>Rent</u>.

    a. Lessee shall pay Lessor rent at the base rate of $28.00 per square foot for a total area of 1082 square feet. Base rent payments shall be made annually on the first day of September until the lease terminates at the amounts below.

Year One	$30,296.00
Year Two	$30,750.00
Year Three	$31,211.00
Year Four	$31,679.00
Year Five	$32,155.00

4. Information Technology

   a. Lessee shall have its own web domain and shall access the internet through the public Wi-Fi. As necessary, Mohave County Information Technology (IT) may provide support to the Lessee on an as-needed basis.
   b. Lessor agrees to assist in IT support to assist in the transition to the Premises. Lesse agrees to pay Lessor $3,305.00 as a one-time payment for transition.
   c. Lessor understanding that ongoing support may be necessary and may, as practicable, support Lessee through the Lessor's IT system. Lessee will pay $1,322.00 per year for IT support equal to up to 24 hours of IT time. Should Lessee require additional support, Lessee shall pay the true cost of IT support in addition to any costs for hardware, software, or other needs. Lessor shall log and bill the Lessee in a ticket-based system.
   d. IT may support the Lessee for regular and special meetings conducted by the Lessee. Lessee shall pay Lessor $40.00 per person per hour for each meeting.

5. Permitted Uses.

   a. Uses permitted under this Lease are for operating, maintaining, and developing the Premises for use by Hospital District #1 of Mohave County.
   b. Lessee may have access to the Board of Supervisors auditorium to conduct their meetings as available. Lessor shall ensure that the Board of Supervisors auditorium is available on the second Tuesday of each month from 2:00 p.m. through 4:00 p.m.
      i. Lessee may request the Board of Supervisors auditorium for special meetings occurring at a different designated date and time. Lessor shall accommodate the request if practicable.

6. Employees and Officers.

   a. Lessee agrees to exercise diligent care to ensure that its employees and officers do not pose any threat to an individual's or the public's health, safety, or welfare.

   b. Employees and Officers of the Lessee shall have general access to the Premises during the operational hours of the Mohave County Administration Building of 8:00 a.m. to 5:00 p.m. Monday through Friday.

7. Assignments, Encumbrances, Alienation, etc.

    a. Lessee shall not assign, hypothecate, alienate, or convey any interest in the Premises without the express written consent of Lessor and upon such terms and conditions as Lessor may provide.

8. Care of Premises.

    a. Lessee shall maintain the Premises in a neat and orderly condition, compliant with state and local laws and permitting no waste or nuisance.
    b. At the termination of this lease Lessee shall return Premises in the same or better condition as the Lessee began.

9. Inspection of Premises.

    a. Lessor shall have the right, at all reasonable time, to enter and inspect the Premises.

10. Termination of Lease.

    a. Without Cause: Lessor or Lessee may terminate this Lease Agreement at any time, without cause, by providing sixty (60) days prior written notice to the other party of its intent to terminate this Lease without cause.

    b. With Cause: If Lessee breaches any of the terms of this Lease Agreement, Lessor may provide written notice of its intent to terminate the Lease. Lessee shall have thirty (30) days to correct the breach from the date of Lessor's mailing this notice of intent to terminate the lease for cause. If corrections are not made to the satisfaction of Lessor within these thirty (30) days, the Lease Agreement shall be deemed terminated.

    c. Immediate Termination:

        i. This Lease will terminate on August 31, 2031.

        ii. This Lease may be terminated upon written mutual agreement of the parties.

        iii. This Lease will terminate upon the dissolution of the Lessor.

11. Conflict of Interest.

    a. The provisions of A.R.S. § 38-511 apply to this Lease and are incorporated herein.

12. Indemnification.

    a. To the fullest extent allowed by law, Lessee shall indemnify, defend, and hold harmless Mohave County, and its officers, officials, agents, volunteers, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury (including death), personal injury, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the acts or omissions of Lessee or its employees, agents, customers, invitees, sublessees, contractors, volunteers, or others attending the camp at the Premises. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of Lessee and/or such sublessee to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Lessee from and against any and all claims. It is agreed that Lessee will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Agreement, the Lessee agrees to waive all rights of subrogation against Mohave County, its officers, officials, agents, volunteers, and employees. The indemnification pursuant to this paragraph shall survive the expiration or termination of this Agreement.

    b. The scope of this indemnity will not be limited by the Insurance requirements of this Lease.

13. Insurance.

    a. Lessee shall maintain liability insurance which will cover that party's participation under this Lease. Lessee agrees to provide, pay for and maintain during the term of this Lease and any extensions thereof, at its sole cost and expense, a policy or policies of insurance of the following types:

        i. Commercial general liability coverage in an amount not less than one million dollars ($1,000,000.00) per occurrence, and two million dollars ($2,000,000.00) aggregate; and

ii. Worker's compensation coverage in an amount required by the State of Arizona, as may be applicable.

b. Lessee shall provide to the Clerk of the Board of Mohave County, a Certificate of Insurance naming Mohave County, the Board and/or its agents and employees as additional insured for the above policies, except for Workers Compensation and Employers' Liability. The Certificate will provide for notification to the Clerk of the Board of Mohave County prior to any change in said policy, or cancellation of said policy, for any reason including nonpayment of premiums. Lessee agrees that the insurance required herein will be primary and that any insurance carried by Mohave County will be excess and not contributing.

c. Lessee agrees to, at its own expense, purchase and maintain at all times during the life of this Lease the herein stipulated minimum insurance with companies duly licensed, possessing a minimum current A.M. Best, Inc. Rating of A- FSC VIII, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to Mohave County. All policies will contain an endorsement providing that written notice be given to the County at least ten (10) calendar days prior to termination, cancellation or reduction in coverage in any policy.

d. WAIVER OF SUBROGATION OR TRANSFER OF RIGHTS OF RECOVERY: The policies required herein shall contain a waiver of subrogation or in the alternative, a waiver of transfer of rights of recovery against Mohave County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Lessee's activities, work or service.

e. *"Mohave County, a body politic and corporate of the State of Arizona, its Board members, officers, employees, agents, and other officials"* shall be listed as the certificate holder. If room does not permit, this verbiage can be entered into the description of operations. However, if the latter method is used, the certificate holder shall be listed only as Mohave County, Arizona, P.O. Box 7000, Kingman, AZ 86402.

14. Waiver.

a. The failure of Lessor to take action regarding any breach of this Lease shall not be deemed a waiver of any of its rights under this Lease.

15. Compliance with Laws.

a. Lessee agrees that it will comply with all federal, state, county and city laws, ordinances or regulations which may apply to its activities under this Lease. Including but not limited to:

i. Public Access: Premises will be open to the public. No persons shall be denied use of the Premises because of race, color, religion, national origin, sex, age, disability, or veteran status.

ii. Equal Opportunity Employment: Lessee will comply with all federal employment laws.

16. Notice.

a. All notices required under this Lease or by law shall be sent by registered mail, addressed as follows:

Lessor:	**Lessee:**
Mohave County County Manager P.O. Box 7000 Kingman, AZ 86402-7000	Hospital District #1 of Mohave County <INSERT ADDRESS>

17. Governing Law

a. This Agreement is executed in the State of Arizona and this Agreement and every matter or thing arising therefrom shall be construed in accordance with the laws of the State of Arizona. In the event of litigation, jurisdiction and venue shall be within the United States District for Arizona and Mohave County.

18. Alternative Dispute Resolution

a. Pursuant to A.R.S. § 12-1518, disputes under this Agreement shall be resolved through the use of arbitration when the case or lawsuit is subject to mandatory arbitration pursuant to rules adopted under A.R.S. § 12-133.

19. Entire Agreement

   a. This Agreement contains the entire, integrated agreement of the parties and there are no oral agreements, understandings, or representations relied upon by the parties. This Agreement supersedes all prior negotiations, representations, or agreements, whether written or oral.

20. Amendments and Modifications

   a. No modification or amendment of any provision of this Agreement shall be valid unless it is in writing and signed by the party against whom it is sought to be enforced.

[Signatures on next page]

APPROVALS

By the signatures below of their duly authorized officials, the parties agree to, and accept, the terms of this Agreement.

Mohave County, Arizona, a political subdivision of the State of Arizona

By: ______________________________
Travis Lingenfelter, Chairman
Mohave County Board of Supervisors

Date: ______________

Hospital District #1 of Mohave County, a special taxing district

By: ______________________________
Katheryn Tacheron
Hospital District #1 of Mohave County Board of Directors

Date: ______________

This Agreement has been reviewed by the undersigned counsel who have determined that it is in appropriate form and within the powers and authority granted to each counsel's respective Party.

Attorney for Mohave County
Matthew J. Smith
Mohave County Attorney

By: ______________________________
Deputy County Attorney

Date: ______________

Attestation

By: ______________________________
Laura Skubal, Clerk
Mohave County Board of Supervisors

July 7, 2026

David Strahl, Mohave County Manager
Mohave County Board of Supervisors
700 W. Beale Street
Kingman, AZ 86402

RE: Hospital District Number One of Mohave County Leasing Office Space in the County Administration Building

Gentleman:

The Hospital District Number One of Mohave County is requesting to lease office space in the County Administration Building. As you are aware, a draft lease was prepared and placed on the July 6, 2026 Board of Supervisors meeting for review and possible approval. At that meeting, several questions arose, up to and including, formation of the Hospital District Board, etc. Upon the request of David Strahl, the Mohave County Manager, below is an explanation of the Board's duties and authorities:

I. The Hospital District Board was created by voter referendum in December 1982 to transition the hospital control from the county to the local community. The Hospital District owns the facilities but leases them to Kingman Regional Medical Center, a non-profit hospital. The Hospital District Board falls under the category of a Special Taxing District and is governed by A.R.S. §48-101 et. seq. (General Provisions) and A.R.S. §48-1901 et. seq. (Chapter 13 Hospital Districts).

II. As defined in A.R.S. §48-1908 and 1909, Hospital District Board membership "shall be composed of five citizens who are resident real property owners within the district, none of whom is elective or appointive state, county or city official. Board members serve four-year terms and are either elected or appointed." Candidates considering district board membership must follow the election procedures prescribed by A.R.S. §16, chapter 3. Historically, Hospital District Board members have been recruited for appointments rather than elected, allegedly with initial board membership being a few Hospital Executive Board members who resigned from that board and made their way to the Hospital District Board. For many years, Hospital District Board membership remained status quo up until around 2021 or 2022 when members of the public became aware of the board and started to take an interest and become involved.

III. The Hospital District owns the hospital facilities and adjoining District-owned real property for general hospital and healthcare purposes. Duties of the Hospital District Board are two-fold (1) as they represent the qualified electors (property owners) residing within the borders of the district and (2) serve as the landlord of the real property currently leased to Kingman Regional Medical Center. In addition, please be advised that the Hospital District Board has absolutely no jurisdiction surrounding the quality of patient care provided by KRMC; the Hospital District Board's sole purpose is fiduciary. Furthermore, the District Board is a public body subject to the provisions of the Arizona Open Meeting Laws A.R.S. §38-431, et. seq.

While the Hospital District was created in December of 1982, on July 1, 1990, a lease agreement was developed and implemented between Kingman Regional Medical Center (KRMC) and Hospital District Number One of Mohave County for a period of 10 years with renewal options for two additional 10-year periods. KRMC exercised the first 10-year renewal option on July 1, 2000 and restated the terms and provisions of that lease. The lease was again amended through a supplemental agreement on June 1, 2002. The amended lease called for rental payments equal to the principal and interest payments of the Series 2002 Bonds, which were paid in full during the prior fiscal year. KRMC exercised the second 10-year option beginning July 1, 2010. Effective July 1, 2012, the lease was amended with an increased annual rental payment for additional rent to $1,200,000 through 2023. Unless cancelled by either KRMC or the Hospital District, the lease automatically renews for an additional one month on the 1st day of each month, so the full 10-year lease term is created monthly. Effective July 1, 2020, the lease with KRMC was amended, which increased the annual costs to $3,600,000 for fiscal year 2021, $2,400,000 for fiscal years 2022 through 2025 and $1,200,000 thereafter. The current lease agreement is under significant re-negotiation at this time and is expected to be finalized and approved by both parties during the 3rd quarter of 2026.

As can be gleaned from the existing and past approved leases between the two entities, administrative duties (financial, secretarial and webpage maintenance), have been provided by KRMC employees. In addition, the Hospital District has been reimbursed by KRMC for certain accrued expenses such as legal fees and audit fees, and as of May 18, 2026 recording secretarial fees. While the re-negotiated lease has not been approved, it is anticipated the Hospital District Board will soon begin to function with greater autonomy and conduct business in a manner conducive to that of an actual landlord; it is highly anticipated that any and all administrative services will become the sole responsibility of the Hospital District. With that being said, current Hospital District Board members are eager to begin the creation of a functioning autonomous board for the real property owned by the qualified electors of the district and that such is maintained commensurate with the healthcare needs of the community.

IV. In terms of renting office space within the Mohave County Administration Building, the draft lease that came before the Board of Supervisors on July 6, 2026 asks for nothing more than what is written and agreed upon between the Hospital District Board and County Administration. Monies used to pay for specific rented office space and any IT support identified in the lease will generate from rental income received from KRMC, which is held in accordance with the laws of the State of Arizona through the Mohave County Treasurer's Office. Since there is no office space available within KRMC or adjoining District-owned property, the board is seeking to rent office space for their files, which they are required by law to retain. In addition, the possibility of hiring employees may come to fruition and, therefore, adequate office space will be needed. As the Hospital District Board autonomously evolves, it can no longer function disjointedly; there needs to be continuity as well as no assumed conflict of interest between the Hospital District and KRMC as such has the potential to negate the District Board's autonomy.

In conclusion, the Hospital District Board is not asking for any county involvement other than what is specifically defined/outlined in the proposed draft lease agreement and/or currently required under A.R.S. §48- Special Taxing Districts. Should any further questions arise, please do not hesitate to contact me.

Respectfully submitted,

Katie Tacheron
Board Chairmen, Hospital District Number One of Mohave County

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
POLICY AND PROCEDURE FOR PAYMENT OF INVOICES FROM VENDORS

PURPOSE:

In order to comply with Open Meeting Law transparency, this policy outlines the procedure(s) to follow upon receipt of invoices from vendors. No invoice shall be allowed to accumulate until a later Regular Session of the Hospital District Board. All invoices shall be paid upon receipt or within thirty (30) days of receipt.

PROCEDURE:

1. Upon receipt of an invoice from a contracted/non-contracted vendor, immediate email notification shall be provided to the Hospital District Board's chairman. The email shall include a copy of the invoice.

2. At the direction of the Hospital District Board's Chairman, a check shall be prepared for signature. All checks shall have two authorized signatures as per the Hospital District's Bylaws.

3. Once the check is appropriately signed, the following **MUST** occur:

   a. Make photocopy of the invoice and signed check
   b. For Fraud Protection and Budget Reconciliation:

      i. For Fraud Protection, send an email with a copy of the invoice and signed check to the following Mohave County Treasurer's Office personnel: Treasury Accounting Manager, Deputy Chief Treasurer and Accounting Technician.
      ii. For Budget Reconciliation, make a copy of both the invoice and signed check and forward to KRMC Finance Department's Controller and Accountant.

   c. Record the check number, transaction description and check amount in the Hospital District Board's checkbook register.
   d. Mail a copy of the invoice along with the signed check to the vendor.
   e. File a copy of invoice and signed check in the respective "MONTHLY FINANCIAL REPORT AND BALANCE SHEET FOLDER" for documentation as an expense.
   f. File a copy of the email to Mohave County Treasurer's Office as well as the invoice and signed check in the binder labeled "PAID INVOICES FOLDER."

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
POLICY AND PROCEDURE FOR PAYMENT OF INVOICES FROM VENDORS
PAGE 2

g. Place a copy of the invoice and signed check in the "FUTURE AGENDA ITEMS FOLDER" ensuring the invoice and signed check go before the Board for review and acceptance at a later Regular Session of the Hospital District Board.
h. Attach a copy of the invoice and signed check to the respective minutes where presented for review and acceptance by the Board.

REVIEW

This policy and procedure shall be reviewed at least every two (2) years following initial full District Board approval.

BOARD MEMBER ACKNOWLEDGEMENT

I acknowledge that I have received, read, and understand the Policy and Procedure for Payment of Invoices from Vendors

Board Member Name: ____

Board Member Signature: ____

Witness: ____

Date: ___/___/____

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

POLICY AND PROCEDURE FOR BOARD-ISSUED ELECTRONIC DEVICES, RELATED SOFTWARE AND PERIPHERAL ACCESSORIES

PURPOSE

In order to comply with Open Meeting Law transparency, this policy outlines the procedure(s) to be followed regarding the issuance, utilization, security, retention and return of board-provided electronic devices, related software and peripheral accessories. The intent of this document is to provide record compliance, operational continuity, cybersecurity and proper separation of personal and Hospital District business. This document applies to all Board Members and authorized ancillary staff personnel.

PROCEDURE

A. Issuance of District Ownership of Electronic Devices, Related Peripherals and Accessories

1. All District-issued devices and/or related technological resource peripherals shall not be distributed without explicit full Board approval to any District Board or ancillary staff member.

2. Full District Board approval shall be determined prior to the issuance of electronic device type, service plan or authorized software eligibility for all District Board and/or ancillary staff members.

3. All Board-provided electronic devices, up to and including but not limited to, accessories, mobile phone numbers, email accounts, cloud accounts, software licenses and other related technological resources leased, purchased, or maintained by the District shall remain the sole property of the Hospital District Board.

4. No recipient shall have personal ownership of any Board-provided electronic device, software applications, peripheral accessories, or stored District related data.

5. A detailed written inventory of District-issued devices and assigned users shall be maintained and appended to this policy for reference.

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

POLICY AND PROCEDURE FOR BOARD-ISSUED ELECTRONIC DEVICES, RELATED SOFTWARE AND PERIPHERAL ACCESSORIES – PAGE 2

B. Authorized and Prohibited Use of District Board-Owned Electronic Devices, Peripherals or Related Data

1. District Board issued devices or peripheral accessories shall be used for official District business, including but not limited to board communications, meeting preparation, official emailing, official calendaring/scheduling or record storing.

2. District Board approved electronic device software shall be used for official business, including but not limited to agendas, minutes, public records support and communications with legal counsel, consultants, ancillary staff, government agencies and communication with the public regarding District-related matters.

3. **District Board-related stored data shall not be considered personal property and shall be used for official District business.**

4. District Board-issued electronic devices, associated accounts, software and/or peripherals shall not be used for personal campaigning or election activity, private unrelated District business, unlawful conduct, political fundraising, transmission or storage of offensive, harassing, discriminatory or inappropriate contact, the bypassing of public record requirements, deletion or concealment of District Board records, installation of unauthorized software or applications, sharing of passwords or account access to unauthorized individuals such as family members, friends, etc.

5. Whenever reasonably feasible, District Board and/or ancillary staff members shall use District-provided electronic devices, accounts and systems avoiding the use of personal emails, cell phones or messaging platforms. District-related business conducted on personal devices shall immediately be removed from that personal device and stored according to Arizona Revised Statutes subject to disclosure, preservation, and record retention.

6. Communications using District-provided electronic devices, accounts, systems or messaging platforms shall be preserved in accordance with applicable record retention requirements and promptly provided upon request from District Board members or other authorized ancillary staff personnel or legal counsel.

POLICY AND PROCEDURE FOR BOARD-ISSUED ELECTRONIC DEVICES, RELATED SOFTWARE AND PERIPHERAL ACCESSORIES – PAGE 3

7. No District Board or ancillary staff member shall destroy, alter, conceal, or fail to preserve District records except in accordance with approved retention and applicable Arizona Revised Statutes.

C. Security, Device Management, Configuration and Expectation of Privacy

1. All District-issued devices shall be subject to reasonable security controls, up to and including but not limited to password or PIN protection, multifactor authentication, device encryption, remote management, remote lock or wipe capability, automatic screen lock, approved antivirus or endpoint protection, software and operating system updates.

2. District Board and ancillary staff members shall maintain confidentiality of passwords, immediately report lost, stolen, compromised or malfunctioning devices.

3. District Board and ancillary staff members shall not disable security settings, not jailbreak, root or otherwise modify District devices to bypass security controls and not connect District devices to unauthorized storage or insecure systems in a manner that risks District data.

4. Authorized District Board and/or ancillary staff members may configure, monitor, manage, update, or restrict District-issued devices and accounts as reasonably necessary for security, continuity, legal compliance, record preservation, and operational control.

5. The District Board may require the use of approved-only software, email platforms, cloud storage and communication tools for official District business.

6. District Board and/or ancillary staff members shall have no expectation of privacy with District-issued devices used for business communications, District data, or District-managed systems except as otherwise protected by Arizona law.

7. Subject to applicable Arizona law, the District Board reserves the right to access, review, preserve, copy, audit or disclose information contained on District-issued devices and/or managed systems for legitimate governmental purposes, including but not limited to record compliance, legal review, investigations, continuity of operations and cybersecurity response.

POLICY AND PROCEDURE FOR BOARD-ISSUED ELECTRONIC DEVICES, RELATED SOFTWARE AND PERIPHERAL ACCESSORIES – PAGE 4

D. Return of District-Issued Property, Preservation at Transition, Loss, Theft and/or Damage

1. Within five (5) days of separation from the District Board, in any capacity or by demand, the authorized user shall return all District-issued devices, accessories, credentials and District-managed information in the authorized possession or control.

2. Within five (5) days of notification of an upgrade to any District-issued device, the authorized user shall comply accordingly. Before reassignment or return of any device, the District Board may preserve, backup, export or archive District records and data stored on the device or with associated accounts.

3. Upon separation, in any capacity or by demand, no District Board and/or ancillary staff member shall continue to utilize District-issued devices, up to and including but not limited to District-issued phone numbers, email accounts, managed systems or District credentials unless continued authorized use has full District Board approval.

4. Any lost, stolen, damaged or compromised device shall be reported immediately to the authorized designated District Board and/or ancillary staff member. The District Board may remotely disable, lock, or wipe any lost, stolen or compromised device if reasonably necessary to protect District information.

5. If loss or damage results from intentional misuse, reckless conduct or unauthorized use, the District Board shall seek reimbursement or take other action as deemed appropriately necessary.

E. Policy Compliance

1. Violation of this policy and procedure may result in revocation of the involved device privileges, reassignment or recovery of District-issued devices up to and including but not limited to referral to legal counsel, recovery of said involved District-issued device or data, and/or discipline permitted by Arizona law, District Board authority or any other lawful corrective action deemed necessary and appropriate.

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

POLICY AND PROCEDURE FOR BOARD-ISSUED ELECTRONIC DEVICES, RELATED SOFTWARE AND PERIPHERAL ACCESSORIES – PAGE 5

F. Policy and Procedure Review

This policy and procedure shall be reviewed and/or periodically revised as deemed necessary but no less than once every two (2) years. Any amendments needed to reflect legal, operational, record retention or cybersecurity requirements require full District Board approval.

This policy and procedure shall initially become effective immediately upon full District Board approval. Revisions to this policy and procedure shall become effective upon full District Board approval.

Board Member Acknowledgement

I acknowledge that I have received, read, and understand the Policy and Procedure for Board-Issued Electronic Devices, Related Software and Peripheral Accessories:

Board Member Name: ______________________________________

Signature: ____

Witness: ____

Issued Devices, Software, Peripheral Accessories:

____

____

____

Date: ___/___/____

Date Created: 06/2026
Date Board Approved:

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY
POLICY AND PROCEDURE FOR PURCHASE OF OFFICE SUPPLIES AND ELECTRONIC EQUIPMENT OR RELATED ACCESSORIES

PURPOSE

In order to comply with Open Meeting Law transparency, this policy outlines the procedure(s) to be followed regarding the purchase of office supplies and/or electronic equipment or associated products for use by Hospital District Board staff personnel and Board Members.

PROCEDURE

OFFICE SUPPLIES

A. Whenever feasible, office supplies, including but not limited to, paper, binders, ink cartridges, folders, etc. shall be purchased from a contracted vendor.

B. If a non-contracted vendor is used to purchase office supplies, prior full Board approval is required. The invoice shall include the name of the non-contracted vendor, item(s) to be purchased, and a complete cost estimate as well as the need for such purchase. Such approval shall be explicitly documented in the Hospital District Board minutes prior to any occurrence with a non-contracted vendor or agreement thereof.

C. A single invoice for office supplies from a contracted vendor shall not exceed $1,200.00 without the explicit knowledge of the Hospital District Board’s Chairman or his/her designee.

D. Payment of all office supply invoices shall be according to the Hospital District Board’s Policy and Procedure for Payment of Vendors.

ELECTRONIC EQUIPMENT AND ASSOCIATED PRODUCTS

A. No electronic equipment, including but not limited to, computers, laptops, tablets, videography, cell phones (including cell phone plans), printer(s) or accessories related to such shall be purchased without prior full Hospital District Board approval. Such approval shall be explicitly documented in the Hospital District Board minutes prior to any purchase or agreement thereof.

B. No computer software or associated product shall be purchased without prior full Hospital District Board approval. Such approval shall be explicitly documented in the Hospital District Board minutes prior to any purchase or agreement thereof.

HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

POLICY AND PROCEDURE FOR PURCHASE OF OFFICE SUPPLIES AND ELECTRONIC EQUIPMENT OR RELATED ACCESSORIES – PAGE 2

C. Requests for electronic equipment or associated products must be clearly defined on the Board's meeting agenda with actual name of the vendor, and a complete cost estimate as well as the need for such purchase. No amendment to any publicly published agenda item shall occur at a Board meeting where the equipment or associated product is to be addressed.

D. Payment of all electronic equipment and associated product invoices shall be according to the Hospital District Board's Policy and Procedure for Payment of Vendors.

E. **Review**

This policy and procedure shall be reviewed at least every two (2) years following initial full District Board approval.

Amendments to this policy and procedure may be periodically made but shall require full District Board approval.

Board Member Acknowledgement

I acknowledge that I have received, read, and understand the Policy and Procedure for Purchase of Office Supplies and Electronic Equipment or Accessories:

Board Member Name:____

Board Member Signature:____

Witness: ____

Date: ___/___/____

Date Policy created: 6/2026
Date Board approved:

Baker Tilly US, LLP
311 N. Green St. Suite 600
Chicago, IL 60607-1044
United States of America

T: +1 (312) 729 8000
F: +1 (312) 729 8199

bakertilly.com

June 23, 2026

Katie Tacheron, Chairman
Hospital District Number One of Mohave County
3269 Stockton Hill Rd
Kingman, Arizona 86409

Thank you for using Baker Tilly US, LLP (Baker Tilly, we, our) as your auditors.

The purpose of this letter (the Engagement Letter) is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide to Hospital District Number One of Mohave County (Organization, District, you, your).

Services and Related Report

We will audit the financial statements of the District as of and for the year ended June 30, 2026, and the related notes to the financial statements (collectively, the "financial statements"). Upon completion of our audit, we will provide the District with our audit report on the financial statements. If, for any reasons caused by or relating to the affairs or management of the District, we are unable to complete the audit or are unable to or have not formed an opinion, or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to issue a report as a result of this engagement. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report, or if necessary, withdraw from the engagement.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI) to supplement the District's financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

> Management's discussion and analysis

Our report does not include reporting on key audit matters.

Our Responsibilities and Limitations

The objective of a financial statement audit is the expression of an opinion on the financial statements. The objective also includes reporting on:

> Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (i) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (ii) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose.

We will be responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and will include tests of accounting records and other procedures we consider necessary to enable us to express such an opinion and to render the required reports.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations and the provisions of grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*.

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 also:

> Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

> Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
> Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
> Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal controls, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS *and Government Auditing Standards*. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting waste or abuse. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or those charged with governance of their responsibilities. Our audit is limited to the period covered by our audit and does not extend to any later periods during which we are not engaged as auditor.

The audit will include obtaining an understanding of the District and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to determine the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control matters that are required to be communicated under professional standards. We will also inform you of any other matters involving internal control, if any, as required by *Government Auditing Standards*.

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 part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the 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*.

We are also responsible for determining that those charged with governance are informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS and *Government Auditing Standards*, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of your significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to your financial statements or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts, and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that those charged with governance receive copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

The audit will not be planned or conducted in contemplation of reliance of any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be addressed differently by a third party, possibly in connection with a specific transaction.

Nonattest Services

Prior to or as part of our audit engagement, it may be necessary for either Baker Tilly US, LLP or Baker Tilly Advisory Group, LP to perform certain nonattest services. For purposes of this letter, nonattest services include services that *Government Auditing Standards* refer to as nonaudit services.

We will perform the following nonattest services:

> Financial statement preparation assistance

None of these nonattest services constitute an audit under generally accepted auditing standards including *Government Auditing Standards*.

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, Baker Tilly US, LLP or Baker Tilly Advisory Group, LP agree that you will:

- Continue to make all management decisions and perform all management functions including approving all journal entries and general ledger classifications when they are submitted to you.
- Designate an employee with suitable skill, knowledge and/or experience, preferably within senior management, to oversee the services performed.
- Evaluate the adequacy and results of the nonattest services performed.
- Accept responsibility for the results of the nonattest services.
- Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

Management's Responsibilities

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

- For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- For the design, implementation, establishment, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met and;
- To provide us with:
    - Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
    - Additional information that we may request from management for the purpose of the audit; and
    - Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed above. 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.

Management is responsible for (i) adjusting the financial statements to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that District complies with the laws and regulations applicable to its activities.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit.

Management is responsible for informing us on a timely basis of the name of any single investor in you that owns 20% or more of your equity at any point in time. Management is also responsible for informing us on a timely basis of any investments held by you which constitutes 20% or more of the equity/capital of the investee entity at any point in time.

Our professional standards require that we remain independent of the District as well as any "affiliate" of the District. Professional standards define an affiliate as follows:

- an entity that the District can control (for example, a subsidiary);
- an entity in which the District or an entity controlled by the District has a direct financial interest that gives the District significant influence over such entity and is material to the District;

> an entity that controls the District (for example, a parent) when the District is material to such entity;

> an entity with a direct financial interest in the District when that entity has significant influence over the District, and the interest in the District is material to such entity;

> a sister entity of the District if the District and sister entity are each material to the entity that controls both;

> a trustee that is deemed to control a trust financial statement client that is not an investment company;

> an investment adviser, a general partner, or a trustee of an investment company financial statement attest client (fund) if the fund is material to the investment adviser, general partner, or trustee that is deemed to have either control or significant influence over the fund.

In order to fulfill our mutual responsibility to maintain auditor independence, you agree to notify us of any known affiliate relationships, to the best of your knowledge and belief. Additionally, you agree to inform us of any known services provided or relationships between affiliates of the District and Baker Tilly or any of its employees or personnel.

Other Documents

GAAS requires that we read any annual report that contains our audit report. The purpose of this procedure is to consider whether other information in the annual report, including the manner of its presentation, is materially inconsistent with information appearing in the financial statements. We assume no obligation to perform procedures to corroborate such other information as part of our audit.

If you intend to reproduce or publish the financial statements in an annual report or other information (excluding official statements), and make reference to our firm name in connection therewith, you agree to publish the financial statements in their entirety. In addition, you agree to provide us, for our approval and consent, proofs before printing and final materials before distribution.

If you intend to reproduce or publish the financial statements in an official statement, unless we establish a separate agreement to be involved in the issuance, any official statements issued by the District must contain a statement that Baker Tilly is not associated with the official statement, which shall read Baker Tilly US, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Baker Tilly US, LLP, has also not performed any procedures relating to this official statement."

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We will provide copies of our reports to the District, however, management is responsible for distribution of the reports and the financial statements. Copies of our reports are to be made available for public inspection unless restricted by law or regulation or if they contain privileged and Confidential Information.

The documentation for this engagement, including the workpapers, is the property of Baker Tilly and constitutes Confidential Information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal or state agencies 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 Baker Tilly 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.

We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. Baker Tilly does not retain any original client records; so we will return such records to you at the completion of the services rendered under this engagement. When such records are returned to you, it is the District's responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention period, Baker Tilly shall be free to destroy our workpapers related to this engagement. If we are required by law, regulation or professional standards to make certain documentation available to regulators, the District hereby authorizes us to do so.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract. Our most recent peer review report accompanies this letter.

Timing and Fees

Our estimated professional fees for these services will be $20,500.

In addition to professional fees, our invoices will include our standard technology charge, plus travel and subsistence and other out-of-pocket expenses related to the engagement.

Invoices for these fees will be rendered as work progresses and are payable on presentation. A charge of 1.5 percent per month shall be imposed on accounts not paid within thirty (30) days of receipt of our statement for services provided. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notice of termination, even if we have not completed our report. the District will be obligated to compensate us for all time expended and to reimburse us for all expenditures through the date of termination. In the event that collection procedures are required, the District agrees to be responsible for all expenses of collection including related attorneys' fees.

Our fee estimate is based on certain assumptions. Certain circumstances may arise during the course of our audit that could significantly affect the targeted completion date or our fee estimate, and additional fees may be necessary as a result. Such circumstances include but are not limited to the following:

- Changes to the timing of the engagement initiated by the District, which may require the reassignment of our personnel.
- The District's failure to provide all information requested by us (i) on the date requested, (ii) in the form acceptable to us, (iii) with no mathematical errors, and (iv) in agreement with the appropriate the District records.
- Significant delays in responding to inquiries made of the District personnel, or significant changes in District accounting policies or practices, or in the District accounting personnel, their responsibilities, or their availability.

> Significant delays or errors in the draft financial statements and necessary schedules prepared by District personnel.
> Implementation of new general ledger software or a new chart of accounts by the District.
> Significant changes in the District's business operations, including business combinations, the creation of new entities, divisions, or subsidiaries within the District, significant new employment or equity agreements, or significant subsequent events. Certain business transactions or changes in business operations or conditions, financial reporting, and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists.
> New financing arrangements or modifications to existing financing arrangements, or significant new federal or state funding.
> Significant deficiencies or material weaknesses in the design or operating effectiveness of the District's internal control over financial reporting.
> A significant level of proposed audit adjustments.
> Issuance of additional accounting or financial reporting standards subsequent to or effective for the periods covered by this Engagement Letter.
> Circumstances beyond our control.

For new business transactions or changes in business operations or conditions, financial reporting and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists. This includes matters such as business combinations, impairment evaluations and going concern evaluation, among other potential needs for specialists. The time and cost of such services are not included in the fee estimate provided.

Revisions to the scope of our work will be communicated to you and may be set forth in the form of an "Amendment to Existing Engagement Letter." In addition, if we discover compliance issues that require us to perform additional procedures and/or provide assistance with these matters, fees at our standard hourly rates apply.

Fee Schedule

Our invoices for these fees will be rendered according to the following schedule, plus expenses incurred:

July 15, 2026	$10,250
August 14, 2026	$10,250

Acknowledgement

All work to be performed by Baker Tilly under this Engagement Letter shall be subject to Baker Tilly's Assurance Terms attached herein. If you agree with the scope of work and fees outlined in the Engagement Letter and the Assurance Terms, please sign and return this letter.

We appreciate the opportunity to be of service to you. If there are any questions regarding the Engagement Letter, please contact Kristen Olko, the professional on this engagement who is responsible for the overall supervision and review of the engagement and for determining that the engagement has been completed in accordance with professional standards.

Sincerely,

Baker Tilly US, LLP

The services as set forth in this Engagement Letter and the attached Assurance Terms are agreed to by:

Baker Tilly US, LLP	**Hospital District Number One of Mohave County**
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date: