LONE PINE UNIFIED SCHOOL DISTRICT

SCHOOL BOARD RESPONSIBILITIES

1. Set Direction 2. Establish the Structure 3. Demonstrate Support 4. Ensure Accountability 5. Demonstrate Community Leadership

MISSION STATEMENT

Lone Pine Unified School District is committed to providing *every* student the tools they need for academic, personal and social achievement so that each student may become a productive member of society.

Governance Team Goals

1. Maintain an exceptional academic environment that provides quality instruction to all students
2. Recognize parents as key partners in the success of our students
3. Maintain fiscal solvency
4. Provide clean, safe, and secure sites for the well-being of our students and staff
5. Recruit, retain and support the growth of all employees
6. Support 21st century skills competence to assist in academic progress, communication and learning
7. Clearly communicate with local community members and share the district achievements.

Addressing the Board

There are many different ways individuals may choose to address the Board. Those who wish to request an agenda item may do so by submitting the request in writing, along with supporting documents and information, to the Superintendent at least one week prior to a scheduled meeting. Those wishing to address an item on the agenda may do so by submitting a card at the beginning of the meeting. Individuals will be recognized by the Board President when the item is considered. For matters not on the agenda, individuals may also submit a card prior to the start of the meeting. There will be an opportunity to address the Board when called upon by the Board President. The Board shall not take action on such items at that meeting. If you have a question or comment during discussions, please raise your hand and wait to be called upon before speaking.

Any items being proposed for the agenda must be sent to Mr. Campbell no later than noon on the Wednesday prior to the board meeting.

LONE PINE UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES SPECIAL MEETING
AGENDA
Tuesday, May 28, 2024
4:30 p.m.

District Office Conference Room
301 S. Hay Street, Lone Pine, CA

NOTICE TO PUBLIC: *The meeting may be viewed at* https://inyocoe.zoom.us/j/97038962819. *Public comments will be taken in person at the address indicated above.*

Any person with a disability may request this agenda be made available in an appropriate alternative format. A request for disability-related modification or accommodation may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting to the Superintendent at the Lone Pine Unified School District Office located at 301 S. Hay Street in Lone Pine or phone (760) 876-5579 between the hours of 7:30 a.m. and 4:30 p.m. at least 48 hours before the meeting. Government Code Section 54954.2

Any writings or documents that are public records and are provided to a majority of the Governing Board regarding an open session item on this agenda will be made available for public inspection in the District Office located at 301 S. Hay Street, Lone Pine during normal business hours.

1. CALL TO ORDER & ROLL CALL

Mrs. Susan Patton, President _____
Mrs. Susan Lutze, Clerk _____
Mr. Scott Kemp, Member _____
Mrs. Krista Sullivan, Member _____
Ms. Rachel Yourgules, Member _____
Edward Campbell, Superintendent and Secretary to the Board _____

PUBLIC PARTICIPATION (HEARING SESSION)

Members of the public who wish to speak to the Board about any item on the Closed Session agenda are invited to do so at this time. Comments shall be limited to four minutes per person for a total of 20 minutes. Person wishing to speak must complete a request card and hand it to the Board Secretary.

2. CLOSED SESSION (4:30 P.M.)

2.1 Moved by _____ and seconded by _____ that the Board recess to closed session to discuss the following items:

1) PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE/COMPLAINT (G.C. Sec. 54957)
2) PUBLIC EMPLOYMENT (Gov. Code 54957)
    a) Guidance Counselor
    b) Elementary Principal
    c) Extra Duty & Athletic Coaches
    d) Elementary Teacher

3. OPEN SESSION (5:15 P.M.)

3.1 Moved by _____ and seconded by _____ that the Board return to open session at _____.
3.2 Pledge of Allegiance
3.3 Report of any action taken in Closed Session.

PUBLIC PARTICIPATION (HEARING SESSION)

Interested parties who wish to speak to the Board about matters pertaining to the schools that do not appear on the agenda are invited to do so at this time. Comments on agenda items will be heard at the time the Board considers that agenda item. All public comments on an agenda item will be heard prior to the Board's discussion of the item. Individuals will be allowed four minutes to address the Board and the Board shall limit the total time for public input on any one item to 20 minutes (BB 9323). Persons wishing to speak must complete a request card and hand it to the Board Secretary.

4. ACTION SESSION

NON-CONSENT AGENDA

4.1 Moved by _____ and seconded by _____ that the Board approve the Annual Financial Audit Report prepared by Eide Bailly, LLP, dated May 15, 2024, as presented to the Board.

CONSENT AGENDA

The following items may be approved by a single vote of the Board. Any item that warrants further discussion may be separated for discussion and action.

Moved by _____ and seconded by _____ that the Board approve consent agenda items 4.2 to 4.12.

4.2 Approve resignation of Nicole Howe as Co-Varsity Girls Basketball Coach.

4.3 Approve temporary employment of athletic coaches and Extra Duty positions for 2024-25 school year. Compensation shall be as specified on the Extra Duty Pay Schedule. All coaching employment is pending sufficient student participation.

Melissa Nelms, LPHS Activities Director
Nicole Howe, Varsity Volleyball Coach
Mike Button, LPHS Co-Athletic Coach
Kasey Wuester, LPHS Co-Athletic Coach

4.4 Approve probationary employment of Michelle Birmingham to serve as 6^{th}-12^{th} Education Specialist. Compensation is pending verification of units and employment requirements.

4.5 Approve to add a full-time Transitional Kindergarten teacher position for the 2024-25 school year.

4.6 Approve resignation of Ana Velazquez as Director of Finance, effective May 31, 2024.

4.7 Approve resignation of Rachel Boyer as HS Yearbook Advisor.

4.8 Approve Nicole Asher as summer lifeguard for the 2024 swim season, as a substitute. Employment is subject to successful completion of lifeguard training and employment requirements.

4.9 Approve Agreement between LPUSD and Isom Advisors to provide Consulting Services with respect to the Bond, as presented to the Board.

410 Approve agreement between the District and Eide Bailly, LLP, Certified Public Accountants for the year ending June 30, 2024, as presented to the Board.

4.11 Approve purchase of 2024 Ford F250 in the amount of $72,133.91, to be paid from AG Funds.

4.12 Approve Surplus List, as presented to the Board.

5. ADJOURNMENT

EideBailly

CPAs & BUSINESS ADVISORS

May 15, 2024

To the Governing Board
Lone Pine Unified School District
Lone Pine, California

We have audited the financial statements of Lone Pine Unified School District as of and for the year ended June 30, 2023, and have issued our report thereon dated May 15, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated June 1, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the Lone Pine Unified School District complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Lone Pine Unified School District major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Lone Pine Unified School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of Lone Pine Unified School District major federal program compliance, is to express an opinion on the compliance for each of Lone Pine Unified School District major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the Lone Pine Unified School District's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated May 15, 2024. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated May 15, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks:

- Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the District may have the ability to override controls that the District has implemented. Management may override the District's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the District's financial performance or with the intent of concealing fraudulent transactions.
- Revenue Recognition – We identified revenue recognition as a significant risk due to financial and operational incentives for the District to overstate revenues.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Governmental Accounting Standards Board (GASB) requires the District to calculate, recognize, and report the costs and obligations associated with pensions in their financial statements. These amounts were all determined based on the District's proportionate share of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) estimated net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, which utilized projections of future contributions and future earnings, actuarial assumptions such as inflation, salary increases, mortality rates, and investment rate of return and discount rates in the determination of the final balances reported in the CalSTRS and CalPERS audited financial statements. The District's proportionate share was determined by calculating the District's share of contributions to the pension plan relative to the contributions of all participating entities in the plan.

Management's estimate of the Net OPEB liability, related deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on a calculation of actuarially determined contributions for health insurance benefits.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to Other Postemployment Benefits (OPEB) Liability (Note 11) and Employee Retirement Systems (Note 14).

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected misstatements to the financial statements.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- General Fund
  - Understatement of cash in banks $32,187
  - Understatement of revolving cash $9,410
  - Understatement of receivables $102,574
  - Overstatement of cash in county treasury (FMV) $246,573
  - Overstatement of accounts payable $31,320
  - Overstatement of unearned revenues $886,647
    - Net Overstatement of Fund Balance $815,565

- Aggregate Non-Major Fund
  - Overstatement of cash in county treasury (FMV) $11,706
    - Net Overstatement of Fund Balance $11,706

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

Modification of the Auditor's Report

We have made the following modification to our auditor's report:

Our auditor's report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance included an adverse opinion.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated May 15, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Lone Pine Unified School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Lone Pine Unified School District's auditors.

This report is intended solely for the information and use of the governing board, and management of Lone Pine Unified School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Rancho Cucamonga, California

Schedule of Findings and Questioned Costs
June 30, 2023

Lone Pine Unified School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Adverse
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	Yes

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing Number
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U
COVID-19 - Expanded Learning Opportunity (ELO) Grant ESSER II State Reserve	84.425D
COVID-19 - Expanded Learning Opportunity (ELO) Grant GEER II	84.425C
COVID-19 - Expanded Learning Opportunity (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U
Special Education Cluster (IDEA)	84.027, 84.027A

Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low-risk auditee?	No

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Other matters to be reported	Yes
Type of auditor's report issued on compliance for programs	Unmodified

The following findings represent material weaknesses related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

2023-001 30000 – Adjustments and Financial Statement Preparation (Material Weakness)

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all adjusting entries, reclassifying entries, and conversion entries used in the preparation of the District's financial statements. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of our engagement, we identified misstatements of balances within the District's 2022-2023 unaudited actuals financial report. Through review of supporting records, the following was noted:

General Fund	
Understatement of cash in banks	$32,187
Understatement of revolving cash	$9,410
Understatement of accounts receivable	$102,574
Overstatement of cash in county (change in FMV)	$246,573
Overstatement of accounts payable	$31,320
Overstatement of unearned revenues	$886,647
Cafeteria Fund	
Overstatement of cash in county (change in FMV)	$3,757
Deferred Maintenance Fund	
Overstatement of cash in county (change in FMV)	$7,949

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The conditions were identified as a result of reviewing the District's unaudited actuals, general ledger detail, and supporting documents for the related account balances.

Effect

Due to the conditions identified, the General Fund, the Cafeteria Fund, and the Deferred Maintenance Fund were misstated by the amounts noted above.

Cause

The cause appears to be deficiencies in the District's internal control and review system as it was not able to prevent misstatements to the financial statements.

Repeat Finding

No.

Recommendation

In light of the condition identified, the District should exercise care during its annual year-end closing process and implement a process to review all balances during its year-end closing process to determine the proper cut-off period. In addition, a thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries should take place before the financial statements are finalized by the District's business department.

Corrective Action Plan and Views of Responsible Officials

Having a permanent Director of Finance in place will greatly benefit the District and can stay current with receivables and revenue. The District will work closely with Inyo County Office of Education regarding cash balances. Ending fund balance concerns will be addressed and will be corrected in 2023-2024 fiscal year.

2023-002 **30000 – Bank Reconciliations (Material Weakness)**

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls related to bank reconciliations. Such controls should ensure that reconciliations are prepared and reviewed, by an individual independent of the reconciliation process, in a timely manner, revolving accounts are reconciled to the imprest amount, and stale dated activity on the revolving account reconciliation is investigated.

Condition

The following conditions were noted:

1. The District does not have procedures in place to ensure bank reconciliations are prepared in a timely manner, if at all, and reviewed by an individual independent of the reconciliation process.
2. The District does not have procedures in place to reconcile the revolving cash account to the imprest balance of $5,000.
3. The District's revolving account has stale dated activity, which is not investigated further to determine the cause.
4. One bank reconciliation out of two for the Student Body Fund cash in bank accounts was not provided for audit.

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The condition was identified through inquiry with District personnel and also through review of available District records related to bank reconciliations.

Effect

The General Fund cash in banks and revolving cash amounts were understated due to lack of adherence to procedures over bank reconciliations. The adjustment is included in finding 2023-001. In addition, the Student Body Fund cash in banks total could not be substantiated as no reconciliation was provided for one out of two accounts.

Cause

The cause of the condition identified appears to be the result of insufficient resources available to ensure the timely reconciliation of the bank accounts.

Repeat Finding

No.

Recommendation

The District should enforce formalized procedures related to the reconciliation of the bank accounts. The procedures should require that an individual independent of the reconciliation process reviews the reconciliations. Upon reviewing the reconciliation, the reviewer should sign and date the reconciliation to indicate it was reviewed. The review process will help identify any errors that may have otherwise gone unidentified.

The District's revolving cash account should be reconciled at two different levels. First, the District should reconcile back to the balance reflected on the ledger using ending bank statement balances. Secondly, the District should reconcile back to the imprest amount established by the District by taking into account those expenditure transactions that have yet to be reimbursed. Both levels of reconciliation should be performed on a monthly basis and reviewed independently. During the reconciliation process, the District should investigate the cause of stale dated activity.

Corrective Action Plan and Views of Responsible Officials

With a full time Director of Finance the District will be able to implement and practice proper reconciling of bank statements and allow that stale dated activity is at a minimum.

The following findings represent material weaknesses and instances of noncompliance that are required to be reported by the Uniform Guidance. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
50000	Federal Compliance

2023-003 **50000 – Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Material Weakness in Internal Control Over Compliance, Material Noncompliance)**

Federal Program Affected

Federal Agency: U.S. Department of Education
Pass-Through Entity: California Department of Education (CDE)
Program Name: COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund, COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve, COVID-19: Expanded Learning Opportunities (ELO) Grant: GEER II, and COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency
Assistance Listing Number: 84.425C, 84.425D, and 84.425U
Compliance Requirement: Activities Allowed or Unallowed & Allowable Costs/Cost Principles
Type of Finding: Material Weakness and Material Non-Compliance

Criteria or Specific Requirements

Per Title 2, *Code of Federal Regulations*, Part 200, Subpart D, Section 200.333, financial records and supporting documents pertinent to a Federal award must be retained for a period of three years from the date of submission of expenditure reports to the awarding agency or passthrough entity.

Condition

The District was unable to provide financial records or supporting documents for twenty-eight out of sixty expenditures charged to ESSER and GEER resources.

Questioned Costs

The condition identified above resulted in known questioned costs of $76,440 and likely questioned costs of $65,937.

Context

The condition was identified by reviewing 60 sample transactions. Our review resulted in 28 transactions where the District was unable to provide supporting documents which resulted in a known quested costs of $76,440. The likely questioned costs $65,937 were attributed to fringe benefits that were associated with employee salaries charged to the program.

Effect

The District has not complied with the requirements identified in Title 2, *Code of Federal Regulations*, Part 200.333.

Cause

The identified condition appears to have materialized due to insufficient procedures related to the retention of financial records.

Repeat Finding

No.

Recommendation

The District should ensure that all federal expenditures are supported by financial reports. These records should be maintained for a period of three years from the date the expenditure is incurred.

Corrective Action Plan and Views of Responsible Officials

The District will maintain financial records used to report federal dollars for a minimum of 3 years.

2023-004 **50000 – Reporting (Material Weakness in Internal Control Over Compliance, Material Noncompliance)**

Federal Program Affected

Federal Agency: U.S. Department of Education
Pass-Through Entity: California Department of Education (CDE)
Program Name: COVID-19: Elementary and Secondary School Emergency Relief (ESSER) Fund, COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund, COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss, COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve, COVID-19: Expanded Learning Opportunities (ELO) Grant: GEER II, and COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs
Assistance Listing Number: 84.425C, 84.425D, and 84.425U
Compliance Requirement: Reporting
Type of Finding: Material Weakness and Material Non-Compliance

Criteria or Specific Requirements

Per Title 2, *Code of Federal Regulations*, Part 200, Subpart D, Section 200.333, financial records and supporting documents pertinent to a Federal award must be retained for a period of three years from the date of submission of expenditure reports to the awarding agency or passthrough entity.

Condition

The District was unable to provide financial records or supporting documents that agreed to the expenditure information and full-time equivalent positions required by the ESSER annual report. In addition, the District was unable to provide financial records or supporting documents that agreed to the expenditure information required by the Expanded Learning Opportunities (ELO) Grant: GEER II quarterly report for the period of April 1, 2023 to June 30, 2023.

Questioned Costs

There were no questioned costs associated with the identified condition.

Context

The condition was identified by reviewing 4 out of 8 quarterly reports to the State and 1 out of 2 annual reports submitted to the State. Based on our review of the sampled reports, we have determined that all sampled reports did not have adequate support.

Effect

The District has not complied with the requirements identified in Title 2, *Code of Federal Regulations*, Part 200.333.

Cause

The identified condition appears to have materialized due to insufficient procedures related to the retention of financial records.

Repeat Finding

No.

Recommendation

The District should ensure that all federal expenditures and full-time equivalent positions are reported accurately on the ESSER and GEER annual and quarterly reports, and that supporting documentation is maintained to support the amounts reported.

Corrective Action Plan and Views of Responsible Officials

The District will maintain supporting documentation for the use of federal funds.

2023-005 50000 – Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Material Weakness in Internal Control Over Compliance, Material Noncompliance)

Federal Program Affected

Federal Agency: U.S. Department of Education
Pass-Through Entity: Inyo County Special Education Local Plan Area
Program Name: Basic Local Assistance Entitlement, Part B, Sec 611, COVID-19 ARP IDEA Part B Local Assistance, and Mental Health Allocation Plan, Part B, Sec 611
Assistance Listing Number: 84.027 and 84.027A
Compliance Requirement: Activities Allowed or Unallowed & Allowable Costs/Cost Principles
Type of Finding: Material Weakness and Material Non-Compliance

Criteria or Specific Requirements

Per Title 2, *Code of Federal Regulations*, Part 200, Subpart D, Section 200.333, financial records and supporting documents pertinent to a Federal award must be retained for a period of three years from the date of submission of expenditure reports to the awarding agency or passthrough entity.

Condition

The District was unable to provide financial records or supporting documents for all expenditures charged to Special Education resources.

Questioned Costs

The condition identified above resulted in known questioned costs of $50,735 and likely questioned costs of $35,099.

Context

The condition was identified by reviewing all 6 expenditures charged to the program which included 2 non-payroll expenditures, 1 transfer of expenditures, and 3 employee salaries. We have determined that the District was unable to provide support for all transactions and noted a known questioned costs of $50,735. The likely questioned costs $35,099 were attributed to fringe benefits that were associated with employee salaries charged to the program.

Effect

The District has not complied with the requirements identified in Title 2, *Code of Federal Regulations*, Part 200.333.

Cause

The identified condition appears to have materialized due to insufficient procedures related to the retention of financial records.

Repeat Finding

No.

Recommendation

The District should ensure that all federal expenditures are supported by financial reports. These records should be maintained for a period of three years from the date the expenditure is incurred.

Corrective Action Plan and Views of Responsible Officials

The District will maintain supporting documentation for the use of federal funds.

The following finding represents a significant deficiency and instance of noncompliance that is required to be reported by the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
61000	Classroom Teacher Salaries

2023-006 61000 – Classroom Teacher Salaries (Significant Deficiency, Noncompliance)

Criteria or Specific Requirements

In accordance with *Education Code* section 41372, the District is required to expend at least 55% of General Fund expenditures on classroom teacher salaries.

Condition

In reviewing Form CEA, it was noted that the District did not meet the minimum percentage required for payment of classroom teachers. Form CEA reported total salaries of $3,010,356, and current expense of education of $6,538,785. This resulted in 46.04% of the current expense of education reported as those of classroom teachers. This is 8.96% lower than the minimum required.

Questioned Costs

There are no questioned costs related to this finding.

Context

The condition was identified from our review of the Form CEA.

Effect

The District is not in compliance with *Education Code* section 41372.

Cause

As a result of the District receiving significant sources of new funding from ESSER and GEER to be used specifically for COVID-19 expenditures, the District's ratio was not maintained. These one-time funding sources were not eligible for exclusion from the calculation.

Repeat Finding

No.

Recommendation

The District should consider reviewing this calculation for compliance during interim budget periods and make adjustments where available. In addition, as a result of the new funding that is ineligible for exclusion, the District should consider applying for a waiver for this requirement.

Corrective Action Plan and Views of Responsible Officials

The District has applied for the waiver in the past. The District was unable to apply the waiver for due to not qualifying (class size or competitive pay with other districts). One-time monies were set up in the budget in obj 5810 and were not used. The past administration had no plan at the time to move forward with spending.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statements Findings

2022-001 30000 – Financial Statement Finding (Material Weakness)

Criteria or Specific Requirements

Under the modified basis of accounting used for governmental funds, revenues are recognized in the accounting period in which they become both measurable and available, regardless of when the receipt of cash takes place. In addition, the application of the completeness assertion generally requires management to record all assets and liabilities that should have been included as ending balances on the financial statements.

Condition

The District under-reported receivables and revenues in the amount of $55,726. Specifically, the amount in question was associated with cafeteria accruals recorded in the District's Cafeteria Fund.

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The condition was identified during our review of the District's Cafeteria Fund meal claims.

Effect

The effect of the item identified above resulted in an increase to the District's Cafeteria Fund ending fund balance of $55,726 in comparison to the reported balance on the District's unaudited actuals as of June 30, 2022.

Cause

The cause appears to be the deficiency in the District's internal control and review system as it was not able to prevent the misstatement to the financial statement.

Repeat Finding

No.

Recommendation

In light of the condition identified, the District should exercise care during its annual year-end closing process and implement a process to review all balances during its year-end closing process to determine the proper cut-off period.

Current Status

Not implemented, see current year finding 2023-001.

State Compliance Findings

2022-002 10000 – Attendance (Significant Deficiency, Noncompliance)

Criteria or Specific Requirements

The Second Period (P2) and Annual Reports of Attendance submitted to the California Department of Education should reconcile to supporting documents to ensure ADA is reported accurately.

Condition

The Second Period and Annual Reports of Attendance were prepared incorrectly. The District inadvertently collected the incorrect data from the attendance system when summarizing apportionment attendance, resulting in the District overclaiming apportionment for both the Second Period and Annual Reports of Attendance.

Questioned Costs

There were no questioned costs associated with the condition identified. However, ADA was overstated at P2 by 28.99 ADA and overstated at Annual by 27.77 ADA. The calculated penalty at P2 is as follows, using the California Department of Education's LCFF Derived Value of ADA by Grade Span:

Grade Span	Unallowable ADA	Derived Value of ADA by Grade Span	Penalty
TK-3	88.69	$ 10,878.59	$ 964,822.15
4-6	67.2	10,001.97	672,132.38
7-8	36.52	10,297.83	376,076.75
9-12	96.62	12,244.65	1,183,078.08
Total	289.03		$3,196,109.37

Although a calculated penalty is noted above, the true fiscal impact is zero because the District is community funded (property tax funded), thus negating the fiscal impact.

Context

The condition was identified as a result of our audit of the P2 and Annual Attendance reports and through review of the supporting worksheets used to prepare the reports.

Effect

As noted above, the District overstated ADA at P2 by 28.99 and at Annual by 27.77, resulting in a calculated penalty of $321,129. However, because the District is community funded, the true fiscal impact is zero.

Cause

The cause was due to the District inadvertently using the incorrect attendance data when compiling the summary of ADA for completion of the P2 and Annual Attendance reports.

Repeat Finding

No.

Recommendation

The District should ensure the P2 and Annual attendance reports are revised to correct the errors. In addition, the District should have someone review the P2 and Annual attendance reports for accuracy once completed.

Current Status

Implemented.

2022-003 **61000 – Classroom Teacher Salaries (Significant Deficiency, Noncompliance)**

Criteria or Specific Requirements

California *Education Code* Section 41372 requires that the payment of classroom teacher salaries and benefits meet or exceed 55% (for unified districts) of total General Fund expenditures of the District as calculated using Form CEA of the Standardized Account Code Structure Financial Reporting Software.

Condition

The District's current expense of education totaled $5,791,031. The District spent 45.08% or $2,610,821 on classroom teacher salaries and benefits. This is below the 55% requirement.

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The condition was identified through our review of the District's Form CEA.

Effect

The District is not in compliance with *Education Code* Section 41372. The deficiency is calculated to be $574,470, or 9.92% of the District's Current Expense – Part II, as calculated on Form CEA, Part III.

Cause

During the 2021-2022 fiscal year, the District received one-time state and federal funds to address and respond to the effects of the COVID-19 pandemic. These funding sources were used in part toward classroom teacher salaries and benefits; however, a significant portion of these funds was used towards purchasing materials and supplies needed to respond to the effects of the pandemic. Due to this, the District was unable to meet the 55% requirement for classroom teacher salaries.

Repeat Finding

No.

Recommendation

We recommend the District develop a plan to ensure compliance with *Education* Code Section 41372. If the District is unable to meet the 55% requirement, we recommend the obtaining of an approved exemption from this requirement from the County Superintendent of Schools.

Current Status

Not implemented, see current year finding 2023-006.

2022-004 **40000 – Expanded Learning Opportunity Grant (ELO-G) (Significant Deficiency, Noncompliance)**

Criteria or Specific Requirements

California *Education Code* Section 43522, subdivision (e), requires that for school districts receiving Expanded Learning Opportunity Grant funds, the adopted plan describing how the apportioned funds would be used in accordance with *Education Code* 43522 must be submitted to its county office of education within 5 days of adoption.

Condition

The District submitted their ELO-G plan to its county office of education on June 4, 2021, which is more than five days after the Board adoption date of May 21, 2021.

Questioned Costs

There were no questioned costs associated with the condition identified.

Context

The condition was identified through our review of the District's Expanded Learning Opportunities Spending Plan.

Effect

The District is not in compliance with *Education Code* Section 43522, subdivision (e).

Cause

The condition was identified appears to have materialized due to an oversight of the requirements.

Repeat Finding

No.

Recommendation

We recommend the District review approval, submission, and reporting requirements for federal and state-provided funding in order to avoid similar issues of non-compliance.

Current Status

Implemented.

EideBailly

CPAs & BUSINESS ADVISORS

Management
Lone Pine Unified School District
Lone Pine, California

In planning and performing our audit of the financial statements of Lone Pine Unified School District (the District) for the year ended June 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated May 15, 2024, on the government-wide financial statements of the District.

Associated Student Body (ASB)

Lone Pine High School

Observation

Based on review of the cash receipting procedures, it was noted that three of nine deposits tested were not deposited in a timely manner. The delay in deposit ranged from 6 to 10 days from the date of receipt. This could result in large cash balances being maintained at the sites which can hinder the safeguarding of ASB assets. In addition, nine of nine deposits did not have evidence of a dual cash count.

Recommendation

The ASB should, at minimum, make their deposits once a week to minimize the amount of cash held at the sites. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure including the maximum cash on hand that should be maintained at the site. In addition, procedures should be established to ensure more than one individual is present when counting cash and is evidenced with dual signatures.

We will review the status of the current year comments during our next audit engagement.

Eide Bailly LLP

Rancho Cucamonga, California
May 15, 2024

CONSULTING SERVICES AGREEMENT

This CONSULTING SERVICES AGREEMENT (this "Agreement") is dated as of the latest date set forth on the signature page hereto (the "Effective Date") and is entered into by and between Isom Advisors, a Division of Urban Futures Inc., a California corporation ("Advisor"), and Lone Pine Unified School District ("District").

RECITALS

WHEREAS, District wishes to issue certain bonds (the "Bonds") and desires that Advisor provide to District certain Consulting Services (defined below) with respect to the Bonds; and

WHEREAS, Advisor desires to provide to District certain Consulting Services with respect to the Bonds on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties contained in this Agreement, the parties agree as follows:

AGREEMENT

1. **CONSULTING SERVICES.** District hereby retains Advisor to perform (i) the survey/poll services set forth on Exhibit A hereto (the "Survey/Voter Opinion Poll Services"), (ii) the financial planning services set forth on Exhibit B hereto ("the Financial Planning Services"), (iii) the financial advisory services set forth on Exhibit C hereto ("the Financial Advisory Services"); and (iv) the Continuing Disclosure services set forth on Exhibit D hereto (the "Continuing Disclosure Services"); and (v) the Annual Debt Transparency Report ("ADTR") services set forth on Exhibit E hereto (the "ADTR Services"); and Advisor hereby agrees to perform the Consulting Services pursuant to the terms and conditions of this Agreement.

From time to time, Isom Advisors may provide non municipal advisory services including, but not limited to placement of loans/leases, disclosure services without materiality analysis, and other administrative functions.

2. **INDEPENDENT REGISTERED MUNICIPAL ADVISOR ("IRMA").** If acting in the capacity of an Independent Registered Municipal Advisor ("IRMA") with regard to the IRMA exemption of the SEC Rule, the Advisor will review all third-party recommendations submitted to the Advisor in writing by the District.

3. **EFFECTIVE DATE, TERM AND CONDITIONS.** This Agreement shall be effective as of the Effective Date and shall remain in effect until (i) the 5-year (five-year) anniversary of the Effective Date (the "Term") or (ii) until the Agreement is terminated as set forth below. The parties may extend the Term for successive 1-year (one-year) periods upon mutual written agreement, or otherwise as the parties may agree in writing.

4. **COMPENSATION.** Compensation for the Consulting Services provided to District pursuant to this Agreement shall be as set forth in this Section 4. All fees and expenses are contingent on the success of the election with exception to Survey/Voter Opinion Poll

Services and Continuing Disclosure Services. Fees for Survey/Voter Opinion Poll Services, Financial Planning Services, Continuing Disclosure Services, and ADTR Services shall be paid from the District's general fund or other allowable sources. Fees for Financial Advisory Services shall be paid out of proceeds received by the District resulting from the sale of Bonds.

a. Fees.

i. For Survey/Voter Opinion Services (if needed), fees shall not exceed Four Thousand Dollars ($4,000) and is to be paid upon presentation of results to the District. This sum covers the expenses for the creation of the initial survey instrument, cost of the telephone calls, interpretation of the data from the survey, and the presentation of survey results to the District.

ii. For Financial Planning Services, District shall pay to Advisor a fee of Twenty-Five Thousand Dollars ($25,000) payable upon the closing of the first series of Bonds or successful parcel tax measure.

iii. For Financial Advisory Services, District shall pay to Advisor a fee not to exceed Sixty-Five Thousand Dollars ($65,000) for each series of Bonds sold, payable upon the closing of each series of Bonds (including, without limitation, the first).

iv. For Continuing Disclosure Services, District shall pay an annual fee of Two Thousand Dollars ($2,000) for the filing of customary continuing disclosure documents for each year of the Term existing after a closing of a series of GO Bonds.

v. For Annual Debt Transparency Report ("ADTR") services, the District shall pay an annual fee of Two Hundred Fifty Dollars ($250) per report filing, for the documentation and filing of the requirements pursuant to SB 1029, which requires individual filings for each debt issuance to be completed by January 31st of each year.

b. Expenses.

i. District shall reimburse Advisor for out-of-pocket expenses incurred by Advisor in the course of performance of Consulting Services at the actual cost of such expenses, not to exceed Two Thousand Five Hundred Dollars ($2,500). Payment for any expenses pursuant to this Section 4(b) shall be made at the next following due date for payment of a fee pursuant to Section 4(a).

5. **COVENANTS.**

a. District.

i. Access to Personnel. District will cooperate with Advisor by providing opportunities to consult with District personnel as Advisor deems reasonably necessary to perform the Consulting Services.

ii. Information. District agrees to provide on a timely, diligent and accurate basis, and to the best extent possible, all necessary information reasonably requested by Advisor for the purpose of performing the Consulting Services.

iii. Additional Professional Services. District agrees to provide or authorize additional professional services (e.g., legal counsel, paying agent) as Advisor deems reasonably necessary to complete the Consulting Services and the Bond issuance.

iv. Further Assurances. District agrees to take such further actions as may be necessary or appropriate to effectuate, carry out and comply with all of the terms of this Agreement and the transactions contemplated hereby.

b. Advisor.

i. Compliance with Laws. Advisor shall, at all times, comply with all laws, rules and regulations related to the subject matter of this Agreement and to which Advisor is subject.

ii. Non-Discrimination. Advisor shall not discriminate on the basis of a person's actual or perceived race, religious, color, national origin, ancestry, age, marital status, pregnancy, physical or mental disability, medical condition, genetic information, veteran status, gender, gender identity, gender expression, sex, or sexual orientation in employment or operation of its services.

6. **TERMINATION.**

a. This Agreement may be terminated prior to the conclusion of the Term as follows:

i. By either party upon the other party's material breach of any of its representations, warranties or obligations under this Agreement, provided that such breach is not cured within thirty (30) days of receipt of notice specifying the breach.

ii. At any time upon mutual written consent of the Parties.

b. The District agrees that during the term and any subsequent terms of this contract that Advisor shall be the sole financial advisor in relation to the sale of the Bonds, and that no additional financial advisors shall be hired by the District for the services described in this Agreement without the written consent of Advisor.

7. **PROFESSIONAL LIABILITY INSURANCE**

Advisors will procure and maintain Professional liability insurance with the minimum limits of $1,000,000 per occurrence. Professional liability coverage provided on a "claims made" basis shall be maintained for four years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

Advisors will furnish to District duly authenticated Certificates of Insurance and Endorsements evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance as may be reasonably required by District from time to

time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent "A VII."

Each insurance policy shall state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the District. Notwithstanding any commitment on the part of the insurer to provide such notice to the District, failure of Advisors to provide separate notice of any intent to cancel any policy or change policy providers, or of any actual or potential cancellation, shall constitute a breach of contract for which District shall be entitled to full indemnification under the Agreement.

Maintenance of specified insurance coverage is a material element of this Agreement, and Advisors' failure to maintain or renew coverage or to provide evidence of renewal during the term of this Agreement may be treated as a material breach of contract by District.

8. **CONFIDENTIALITY OF INFORMATION**. It is mutually agreed that Advisor shall regard all information received during the performance of services pursuant to this Agreement ("Confidential Information") as confidential and shall not disclose Confidential Information to any other person without prior consent of District. Confidential Information shall not include information that: (i) is, as of the time of its disclosure, or thereafter becomes, part of the public domain through a source other than Advisor; (ii) was known to Advisor as of the time of its disclosure; (iii) is independently developed by Advisor; or (iv) is subsequently learned from a third party not under a confidentiality obligation to District. In addition, Advisor shall be entitled to disclose Confidential Information to the extent such disclosure is requested by the order of a court of competent jurisdiction, administrative agency, or other governmental body, provided that Advisor shall provide prompt, advance notice thereof to enable District to seek a protective order or otherwise prevent such disclosure. The confidentiality obligations of Advisor shall survive the expiration or termination of this Agreement.

9. **ADDITIONAL MATTERS.**

a. MSRB Rule G-10

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients, which include the following:

- Urban Futures, Inc. is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- Within the Municipal Securities Rulemaking Board ("MSRB") website at www.msrb.org, The District may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules, along with how to file a complaint with financial regulatory authorities.

b. MSRB Rule G-42.

Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients, which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of the Advisor and its associated persons.

As of the date of the Agreement, there are no actual or potential material conflicts of interest that the Advisor is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If the Advisor becomes aware of any material potential conflict of interest that arise after this disclosure, the Advisor will disclose the detailed information in writing to the District in a timely manner.

The following are potential conflicts of interest to be considered.

i. Conflicts of Interest. The Advisor represents that in connection with the issuance of municipal securities, Advisor may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, the Advisor hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding the Advisors' ability to provide unbiased advice to enter into such transaction. The contingent fee arrangement creates an incentive for the Advisor to recommend unnecessary financings or financings that are disadvantageous to the District, or to advise the District to increase the size of the issue. This potential conflict of interest will not impair the Advisor's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Advisor.

(1) It should be noted that the Advisor's fees under this agreement may be based on hourly fees of the Advisor's personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest because it could create an incentive for the Advisors to recommend alternatives that would result in more hours worked. This conflict of interest will not impair the Advisor's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Advisor.

(2) The Advisor's fees under this agreement, may be a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by District and the Advisor of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Municipal Advisor. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Advisor may suffer a loss. Thus, the Advisor may recommend less time-consuming alternatives or fail to do a thorough analysis of alternatives. This conflict of interest will not impair the Advisor's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the District.

(3) The fee paid to the Advisor increases the cost of investment to the District. The increased cost occurs from compensating the Advisor for municipal advisory services provided.

(4) The Advisor serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another of the Advisor's clients. For example, the Advisor serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the District. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, the Advisor could potentially face a conflict of interest arising from these competing client interests. The Advisor fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the District.

(5) If the Advisor becomes aware of any additional potential or actual conflict of interest after this disclosure, the Advisor will disclose the detailed information in writing to the Issuer in a timely manner.

(6) Furthermore, from time to time, the Advisor may perform non-municipal advisory work, including but not limited to bond ballot services for clients who may also be receiving municipal advisory services. Bond ballot services include campaign strategies, voter communication, campaign budgets, mailers, flyers, hand-outs, 'get out to vote' activities, and donations.

(7) The Advisor does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by the Advisor;

(8) The Advisor has not made any payments directly or indirectly to obtain or retain the District's municipal advisory business;

(9) The Advisor has not received any payments from third parties to enlist the Advisors' recommendation to the District of its services, any municipal securities transaction or any municipal finance product;

(10) The Advisor has not engaged in any fee-splitting arrangements involving the Advisor and any provider of investments or services to District;

(11) The Advisor does not have any legal or disciplinary event that is material to the District's evaluation of the municipal advisory or the integrity of its management or advisory personnel.

(12) The Advisor does not act as principal in any of the transaction(s) related to this Agreement.

(13) Randall Merritt, a Managing Principal, has previously worked at Raymond James & Associates, Inc. from December 2015 until December 2023. The Advisor's relationships with Raymond James and all other investment banks are conducted in

an arm's length manner, and any recommendations are independent of any prior employment or other relationships

ii. Legal or Disciplinary Events. The Advisor does not have any legal events or disciplinary history on the Advisors' Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The District may electronically access the Advisors' most recent Form MA and each most recent Form MA-I filed with the Commission using the name Urban Futures, Inc. at the following website:www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Advisor, we will provide complete disclosure to the District in detail allowing the District to evaluate Advisor, its management and personnel.

c. Fiduciary Duty: Urban Futures Inc. is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, Urban Futures and Advisor has a Fiduciary duty to the District and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

i. Duty of Care:

(1) exercise due care in performing its municipal advisory activities;

(2) possess the degree of knowledge and expertise needed to provide District with informed advice;

(3) make a reasonable inquiry as to the facts that are relevant to District's determination as to whether to proceed with a course of action or that form the basis for any advice provided to District; and

(4) undertake a reasonable investigation to determine that the Advisor is not forming any recommendation on materially inaccurate or incomplete information; the Advisor must have a reasonable basis for:

i) any advice provided to or on behalf of the District;

ii) any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the District, any other party involved in the municipal securities transaction or municipal financial product, or investors in the District securities; and

iii) any information provided to the District or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

ii. Duty of Loyalty: The Advisor must deal honestly and with the utmost good faith with the District and act in the District's best interests without regard to the financial or other interests of the Advisors. The Advisor will eliminate or provide full and fair disclosure (included herein) to the District about each material conflict of interest (as applicable). The Advisor will not engage in municipal advisory activities with the District as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the District's best interests.

d. Governing Law; Jurisdiction. It is expressly understood that this Agreement and all questions arising hereunder shall be construed according to the laws of the State of California, without giving effect to conflicts of law principles. All actions or proceedings arising directly or indirectly from this Agreement shall be litigated in courts located within Inyo County, California. The parties consent to the jurisdiction thereof and the parties further agree not to disturb such choice of forum.

e. Independent Contractor: Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint ventures with one another. Neither the Advisors nor the Advisors' employees are employee of the District and are not entitled to any of the rights, benefits, or privileges of the District's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

Neither the District nor its officers, agents or employees shall have any control over the conduct of the Advisors or any of the Advisors' employees except as herein set forth, and the Advisors expressly agrees not to represent that the Advisors or the Advisors' agents, servants, or employees are in any manner agents, servants or employees of the District, it being understood that the Advisors, its agents, servants, and employees are as to the District wholly independent Advisors and that the Advisors' obligations to the District are solely such as are prescribed by this Agreement.

f. Political Contributions: Advisor may choose of its own free will to contribute time, money, or resources to political campaigns associated with the passage of a bond measure. Prior to signing this agreement, Advisor has not made, considered, or discussed a contribution to any campaign connected with the referenced bonds. This agreement does not obligate Advisor to contribute to any particular campaign or election. Advisor has in no way committed to or indicated a willingness to contribute time, money, or resources to any campaign, or to make any other contribution.

g. Conflicts of Interest: No officer or employee of District shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Advisors warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

h. Successors and Assigns. Except as otherwise provided herein, this Agreement shall not be assignable by either party without the express written consent of the other party hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

i. Attorneys' Fees. In the event of any action to enforce or interpret this Agreement, including without limitation the recovery of damages for its breach, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment.

j. Amendments to Agreement. This Agreement may not be modified, amended or supplemented except by written instrument executed by all parties hereto.

k. Notice. All notices to be given by the parties hereto and other communications hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed telex, electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (iii) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt; or (iv) four days after deposit with a United States Post Office, first class postage prepaid and registered. All communications shall be sent as follows:

To Advisor:

Isom Advisors, a Division of Urban Futures Inc.
1470 Maria Lane, Ste. 315
Walnut Creek, CA 94596
Attn.: Jonathan Isom, Managing Principal
Telephone: (925) 478-7450
Email: jon@isomadvisors.com

To District:

Lone Pine Unified School District
301 South Hay St.
Lone Pine, CA 93545
Attn.: Edward Campbell, Superintendent
Telephone: (760) 876-5579
E-mail: ecampbell@lpusd.k12.ca.us

l. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

m. Entire Agreement. This Agreement (including the Exhibits attached hereto) contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the parties with respect to such subject matter. The Exhibits attached hereto constitute a part hereof as though set forth in full herein.

n. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the dates set forth below.

ADVISOR:	DISTRICT:
Isom Advisors, a Division of Urban Futures Inc.	Lone Pine Unified School District
By: _____ Name: Jonathan Isom Title: Managing Principal	By: _____ Name: Edward Campbell Title: Superintendent
Dated: _____ ___, 2024	Dated: _____ ___, 2024

EXHIBIT A

SURVEY/VOTER OPINION POLL SERVICES

- Prepare a voter survey to assist District to assess the feasibility of a voter approved funding measure in the District
- Test voter attitudes, specific project support, tax tolerances, and overall support for local school district funding measure
- Conduct telephone survey with a not to exceed amount of 400 voters that match demographics of those voting on proposed election dates
- Produce a written report of findings with complete cross tabulations
- Provide a survey results presentation to District to summarize results of voter survey

EXHIBIT B

FINANCIAL PLANNING SERVICES

- Review District project list and assist District in preparing a capital and financing plan
- Analyze the assessed valuation of District, calculate bonding capacity, and perform financial analysis to determine possible bond/parcel tax proceeds
- Create an election timeline and financing timeline; coordinate same with bond counsel, District, and county
- Recommend proposed bond/parcel tax amount, issuance schedule, and projects to be funded by bond/parcel tax program
- Conduct public information program to assess the feasibility of a bond/parcel tax program in District including providing information
- Assist in the preparation of a bond election/parcel tax resolution including preparing ballot language and detailed bond project list
- Prepare tax rate statement and estimates of tax rates for bond program
- If needed, prepare ballot arguments and rebuttals

EXHIBIT C

FINANCIAL ADVISORY SERVICES

- Analyze the bond market to determine timing, credit enhancement requirements, structure, bond amount, legal documentation requirements, rating requirements, and method of sale
- Assist District, as needed, to assemble bond finance team members including bond counsel, paying agent, trustee, and underwriter
- Prepare timeline, distribution lists, and term sheets to manage financing
- Manage bond issuance process including the coordination with other finance team members (bond counsel, paying agent, trustee, and underwriter, if needed)
- Define the proposed structure including sizing, call provisions, amortization schedule, and phasing of debt service repayment
- Review legal documents including district and county resolutions, bond purchase agreements, Preliminary Official Statement, and Official Statement
- Prepare rating agency and insurer presentation; negotiate with analysts of same
- Assist in preparation and train District members for rating agency meetings
- Analyze tax base and recommend appropriate tax structure
- For competitive sale, review Notice of Sale and Bid Form, distribute bid documents to qualified underwriters and post bid documents, monitor and verify bids on day of sale, and coordinate award of winning bid
- For negotiated sale, discuss structure and tax rate objectives with underwriter, review proposed structure and scale and make recommendations as appropriate, review fees, and review final pricing
- Review closing documents including tax opinion, arbitrage certificate, and continuing disclosure certificate
- Manage pre-closing and closing
- Attend board meetings as needed to explain bond sale, legal documents, and pricing summary

EXHIBIT D

CONTINUING DISCLOSURE SERVICES

- Annually review District's Continuing Disclosure requirements
- Submit to Municipal Securities Rulemaking Board the necessary filings and documentation in order to remain compliant with Continuing Disclosure requirements

EXHIBIT E

ANNUAL DEBT TRANSPARENCY REPORT ("ADTR") SERVICES

- Review ongoing District's Annual Debt Transparency Report ("ADTR") requirements.
- Submit to CDIAC the necessary filings and documentation to remain compliant with SB 1029 including the ADTR by Jan 31st of each year.

EideBailly

CPAs & BUSINESS ADVISORS

May 20, 2024

Lone Pine Unified School District
301 South Hay Street
Lone Pine, CA 93545

You have requested that we audit the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Lone Pine Unified School District (the District) as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise District's basic financial statements.

In addition, we will audit the District's compliance over major federal award programs for the period ended June 30, 2024. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the District's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), in accordance with *Government Auditing Standards,* and the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide), will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements specified in that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB), require that defined benefit plan schedules, management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and

presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedules
3. Schedule of Changes in the District's Total OPEB Liability and Related Ratios
4. Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
5. Schedule of the District's Proportionate Share of the Net Pension Liability
6. Schedule of the District's Contributions

Supplementary information other than RSI will accompany District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards
2. Schedules required by the current Audit Guide, *issued by the Education Audit Appeals Panel.*
3. Combining Statements – Non-Major Governmental Funds

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance with GAAS, the standards appliable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance), and the requirements specified in the Audit Guide. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, Uniform Guidance, and the requirements specified in the Audit Guide, 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 District'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 District'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 control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* issued by the Comptroller General of the United States of America, and the requirements specified in the Audit Guide. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Reporting

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the governing body of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report on *compliance* in accordance with the requirements specified in the Audit Guide upon completion of our audit.

Audit of Major Program Compliance

Our audit of the District's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the District's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS *and, if applicable, in accordance with Government Auditing Standards,* and the requirements specified in the Audit Guide, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the District's major programs, and performing such other procedures as we considers necessary in the circumstances The purpose of those procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the District's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the District's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and,

accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the District's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management Responsibilities

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

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely, the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including disclosures, and relevant to federal award programs, such as records, documentation, and other matters;

b. Additional information that we may request from management for the purpose of the audit; and
c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.

16. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by us, including:
    i. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
    ii. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

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.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following as applicable:

- Prepare or assist with preparing financial statements in conformity with U.S. generally accepted accounting principles based on information provided by you.
- Prepare or assist with preparing the Schedule of Expenditures of Federal Awards
- Complete the auditee's portion of the Data Collection Form.
- Propose conversion entries and roll forward schedules to be reviewed and approved by management which include debt service roll forward schedule and lease schedules.
- Assistance with pension and OPEB calculation amounts and all related deferrals.
- Assistance with lease assessments in accordance with GASB 87 and GASB 96.

We will not assume management responsibilities on behalf of the District. The District's management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

The District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

Fees and Timing

Andrew S. Park is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expected to begin our audit on a mutually agreed upon date.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Invoices are payable upon presentation. Our fee for the audit will be $36,000 for the fiscal year ending June 30, 2024.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information required to perform our engagement, as well as

a planned timeline for the engagement. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

Other circumstances may arise under which Eide Bailly must perform additional audit work and may require additional billings for these services. Examples of such circumstances include, but are not limited to:

- Changing audit requirements.
- New professional standards or regulatory requirements (i.e. new GASB pronouncements).
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements.
- Erroneous or incomplete accounting records. (i.e. audit adjustments)
- Failure to meet the statutory deadline for submission of the audit due to an extension.
- New or unusual transaction. (i.e. new debt issuance or debt refunding)
- Failure of District staff to prepare and provide information in a timely manner.
- Lack of availability of appropriate personnel during the audit fieldwork.
- New Federal programs requiring audit.
- Additional federal programs requiring audit as a result the programs being identified as high or higher risk, or the District not qualifying as a low risk auditee.
- New state programs requiring audit if it results in an increase in the number of programs requiring audit in a given year.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

The final installment will represent the 10% withheld amount pursuant to *Education Code* 14505 and will be presented for payment upon certification by the Controller that the audit report conforms to the reporting provisions of the Audit Guide. All billings for additional audit fees or services will be billed as these services are provided. In accordance with *Education Code* Section 14505 (b), the District shall withhold 50% of the audit fee for any subsequent year of a multi-year contract if the prior year's audit report was not certified as conforming to reporting provisions of the Audit Guide. This contract shall be null and void if a firm or individual is declared ineligible pursuant to subdivision (c) of Section 41020.5. The withheld amount shall not be payable unless payment is ordered by the State Board of Accountancy or the audit report for that subsequent year is certified by the Controller as conforming to reporting provisions of the Audit Guide.

We may be requested to make certain audit documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such audit documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt.

Other Matters

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website or elsewhere, 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.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly's confidential information includes our audit documentation for this engagement. Our audit documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the date of the auditor's report but before the date your financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and the governing board the following significant findings from the audit:

- Our view about the qualitative aspects of the District's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Government Auditing Standards require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

Eide Bailly LLP is a member of HLB International, a worldwide organization of accounting firms and business advisors, ("HLB"). Each member firm of HLB, including Eide Bailly LLP is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of HLB.

Eide Bailly LLP formed The Eide Bailly Alliance Network, a network for small to mid-sized CPA firms across the nation. Each member firm of The Eide Bailly Alliance, including Eide Bailly LLP, is a separate and independent legal entity and is not owned or controlled by any other member of The Eide Bailly Alliance. Each member firm of The Eide Bailly Alliance is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of The Eide Bailly Alliance or any other member firm of The Eide Bailly Alliance and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of The Eide Bailly Alliance.

Eide Bailly LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. It is not anticipated that any of the non-licensee owners will be performing services for the District.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Rancho Cucamonga, California. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in your financial statements that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the audit The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by California law. Any unresolved Dispute shall be submitted to a federal or state court located in San Bernardino County, California.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,

Andrew S. Park, CPA
Partner

****

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Lone Pine Unified School District by:

Signature: _____

Name: _____

Title: _____

ITEM 4.12

SURPLUS LIST

OLD UNIFORMS

NUMBER JERSEY	PLAYER NAME	GRADE	JERSEY SIZE	PANTS BLACK		RETURNED
# 1	✓			XS - 2		
# 2	✓			S - 3		
# 3	✓			M - 4		
# 4	✓			L - 1		
# 5	✓			XL - 5		
# 8	✓			XXL - 2		
# 9	✓					
# 10	✓					
# 11	✓					
# 13	✓					
# 14	✓					
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# 50	✓					