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BDO
3601 C. Street - Suite 600
Anchorage, AK 99503
USA

June 24, 2026

Ms. Shannon Baird, Director of Finance
Petersburg School District
201 Charles W Street
Petersburg, Ak 99833

Dear Ms. Shannon Baird:

We are pleased to continue as independent auditors for Petersburg School District. We look forward to continuing to provide you with the high-quality services you expect from your professional service providers.

Our commitment to delivering superior service means that we strive to demonstrate initiative, anticipate problems, propose solutions, and communicate effectively with you and other members of management throughout the year. In addition, during our audit we will be alert for opportunities to bring insightful and constructive suggestions for improving management information, operating and accounting procedures, and controls.

Attached to this letter is an agreement describing our services. If you have questions about any of the matters discussed in that agreement, please give us a call. If you find the arrangements acceptable, please acknowledge your agreement to the understanding by signing this letter via the DocuSign link that we provide. Alternatively, if you are receiving hard copies of this engagement letter and DocuSign will not be used, please sign and return to us one of the two enclosed copies. The other copy is for your files.

Again, it is a pleasure for us to continue to serve you. We look forward to many more years of pleasant association with you and Petersburg School District.

Very truly yours,

A blue rectangular box containing the handwritten text 'BDO USA' in a black, cursive-style font. The box has a thin blue border and a horizontal line extending from its bottom edge.

6/25/2026

BDO USA refers to BDO USA, P.C., a Virginia professional corporation, also doing business in certain jurisdictions with an alternative identifying abbreviation, such as Corp. or P.S.C.

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.



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Dear Ms. Shannon Baird

Agreement to Provide Services

This agreement to provide services (the "Agreement") is intended to describe the nature and scope of our services.

Objective and Scope of the Audit

As agreed, BDO USA ("BDO" or "we") will audit the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Petersburg School District (the "School District" or "you") as of and for the year ending June 30, 2026. The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, to issue an auditor's report that includes our opinions, and to report on the fairness of the supplementary information referred to below when considered in relation to the basic financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements 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 audit also include reporting on the School District's:

- Internal control related to the financial statements and compliance with provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and issuance of an opinion on whether the School District complied with federal and state statutes, regulations, and the terms and conditions of the federal and state awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance and State Audit Guide.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A),

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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, which 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 School District's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required and will be subjected to certain limited procedures, but will not be audited:

1. Budgetary Comparison Schedules
 - a. General Fund
 - b. Each Major Special Revenue Fund
2. Public Employees' Retirement System:
 - a. Schedule of the School District's Proportionate Share of Net Pension Liability
 - b. Schedule of the School District's Contributions
3. Public Employees' Retirement System:
 - a. Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefit Liability (Asset) - ARHCT, RMP and ODD Plans
 - b. Schedule of the School District's Contributions - ARHCT, RMP, and ODD Plans
4. Teachers Retirement System:
 - a. Schedule of the School District's Proportionate Share of Net Pension Liability
 - b. Schedule of the School District's Contributions
5. Teachers Retirement System:
 - a. Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefit Liability (Asset) - ARHCT, RMP and ODD Plans
 - b. Schedule of the School District's Contributions - ARHCT, RMP, and ODD Plans

We understand that it is the School District's intent to not prepare or present the required Management's Discussion and Analysis. The omission will not affect our audit opinion.

Also, the supplementary information other than RSI accompanying the basic financial statements, as listed below, will be subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS, and our auditor's report will provide an opinion on it in relation to the basic financial statements as a whole.

1. Individual and combining funds statements and schedules
2. Schedule of Expenditures of Federal Awards
3. Schedule of State Financial Assistance
4. Schedule of Compliance - AS 14.117.505



Responsibilities of BDO

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Note that BDO may utilize entities owned in whole or in part by BDO (each, an “Affiliate”) to assist in the audit or perform internal and/or administrative support ancillary to the services, but BDO will remain responsible for and supervise all such services. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 reasonable basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 School District’s internal control. Accordingly, we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. However, we will communicate to you and those charged with governance in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School 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*.

Our audit will also be conducted in accordance with the provisions of the *Government Auditing Standards*, issued by Comptroller General of the United States and *Title 2 U.S. Code of Federal and State Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal and State Awards (Uniform Guidance or UG)*, and *State of Alaska Audit Guide and Compliance Supplement for State Single Audits (State Audit Guide)* and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such



opinions and to render the required. Our procedures will consist of the applicable procedures described in the Office of Management and Budget's (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the School District's major programs. As required by the Uniform Guidance and State Audit Guide, our audit will include tests of transactions related to major federal and state award programs for compliance with applicable federal statutes, regulations, and the terms and conditions of federal and state awards. The purpose of these procedures will be to express an opinion on the School District's compliance with requirements applicable to major programs in our report on compliance issued pursuant to the Uniform Guidance and State Audit Guide.

Our work will be based primarily upon selected tests of evidence supporting the amounts and disclosures in the financial statements and, therefore, will not include a detailed check of all of the School District's transactions for the period. Also, an audit is not designed to detect errors or fraud or violations of federal and state statutes and regulations that are immaterial to the financial statements or major programs. However, we will inform you of any material errors or fraud that come to our attention. We will also inform you of possible illegal acts that come to our attention unless they are clearly inconsequential. We will also include such matters in the reports required for an audit performed under the Uniform Guidance and State Audit Guide. In addition, during the course of our audit, financial statement misstatements relating to accounts or disclosures may be identified, either through our audit procedures or through communication by your employees to us, and we will bring these misstatements to your attention as proposed adjustments. At the conclusion of our audit we will communicate to those charged with governance (as defined below) all uncorrected misstatements, as well as all corrected misstatements arising from our audit and the implications that such corrected misstatements might have on the School District's financial reporting process. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste and abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

The term "those charged with governance" is defined as the person(s) with responsibility for overseeing the strategic direction of the School District and obligations related to the accountability of the School District, including overseeing the financial reporting process. For the School District, we agree that the School Board meets that definition.

It would perform test of controls, as required by the Uniform Guidance and State Audit Guide, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with each direct and material compliance requirement applicable to each of the School District. However, 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 on internal control issued pursuant to the Uniform Guidance and State Audit Guide.

We are also responsible for communicating with those charged with governance what our responsibilities are under GAAS, an overview of the planned scope and timing of the audit, and significant findings from the audit.



Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that you and those charged with governance acknowledge and understand that you and those charged with governance 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 and relevant to federal and state award programs that are free from material misstatement, whether due to error or fraud; (3) for identifying and ensuring that the School District complies with the laws and regulations applicable to its activities; and (4) to provide us with access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, additional information we may request for the purpose of the audit, and unrestricted access to persons within the School District from whom the auditor determines it is necessary to obtain audit evidence.

Management is also responsible for preparation of the schedule of federal expenditures of federal awards, and schedule of state financial assistance including the notes, noncash assistance received and other required information, in accordance with the requirements of the Uniform Guidance and State Audit Guide. You acknowledge and understand your responsibility for the preparation of all supplementary information, including the schedule of expenditures of federal awards and schedule of state financial assistance, in accordance with the applicable criteria. Management is responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements, in accordance with the Uniform Guidance and State Audit Guide. Management is also responsible for (1) establishing and maintaining effective internal control, including internal control over compliance and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met, (2) compliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards, (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements, and (4) ensuring that management and financial information is reliable and properly reported. You also agree 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. You also agree 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 of the supplementary information and our report thereon.

Management's responsibilities also include identifying and informing us of significant contractor relationships in which the contractor is responsible for program compliance and for the accuracy and completeness of that information.

Management is responsible for adjusting the financial statements to correct material misstatements relating to accounts or disclosures, after evaluating their propriety based on a review of both the applicable authoritative literature and the underlying supporting evidence from the School District's files; or otherwise concluding and confirming in a representation letter (as further described below) provided to us at the conclusion of our audit that the effects of any



uncorrected misstatements are, both individually and in the aggregate, immaterial to the financial statements taken as a whole. Additionally, as required by the Uniform Guidance and State Audit Guide, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

As required by GAAS, we will request certain written representations from management at the close of our audit to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the School District agrees, subject to prevailing laws and regulations, to release and indemnify BDO and its shareholders, principals, employees, Affiliates, contractors, agents, and Permitted Assignees (as defined herein under "Assignment") (collectively, the "BDO Group") from and against all claims, losses, liabilities, judgments, damages, costs, and expenses (including attorneys' fees) of any kind relating to the services or this Agreement, whether arising in contract, statute, tort (including, without limitation, negligence), or otherwise (collectively, the "Claims") attributable to any knowing misrepresentations by management.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the School District involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a direct and material effect on the financial statements and/or schedule of expenditures of federal awards. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the School District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the School District complies with applicable federal and state statutes, regulations, and the terms and conditions of the federal and state awards. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of federal and state statutes, regulations and the terms and conditions of the federal and state awards, or waste and abuse that we report.

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

At the conclusion of the engagement, we will complete the appropriate sections of and electronically certify the Data Collection Form that summarizes our audit findings. We will provide a final copy of our reports in a PDF file to the School District; however, it is management's responsibility to upload the PDF version of the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) and complete the appropriate sections of the Data Collection



Form. If management requests BDO to upload the pdf version of the reporting package it is management's responsibility to review the pdf BDO uploads to the Federal Audit Clearinghouse (FAC) for accuracy and accept responsibility for this document. Management is responsible for electronically certifying the Data Collection Form and electronically submitting the completed Data Collection Form to the FAC. Management accepts responsibility for and will review all information, whether prepared by the School District or BDO, in the Data Collection Form that will be submitted to the FAC. The financial reporting package must be text searchable, unencrypted, and unlocked to be accepted by the FAC. The Data Collection Form and the reporting package must be submitted electronically within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless an extension has been obtained in writing from the appropriate Federal agency. Both BDO and management are responsible for ensuring that in their respective parts of the reporting package there is no protected personally identifiable information. Management understands that the School District must make copies of the Data Collection Form and reporting package available for public inspection.

Expected Form and Content of the Auditor's Report

At the conclusion of our audit, we will submit to you a report containing our opinion as to whether the financial statements, taken as a whole, are fairly presented based on accounting principles generally accepted in the United States of America. If, during the course of our work, it appears for any reason that we will not be in a position to render an unmodified opinion on the financial statements or the Uniform Guidance and State Audit Guide compliance, or that our report will require an Emphasis of Matter or Other Matter paragraph, we will discuss this with you. It is possible that, because of unexpected circumstances, we may determine that we cannot render a report or otherwise complete the engagement. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require, we may resign from the engagement prior to completion.

The reports on internal control and compliance will each include a statement that the purpose of these reports is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of *Government Auditing Standards (GAS)* and the Uniform Guidance and State Audit Guide and are not suitable for any other purpose.

Termination

Upon notice to the School District, BDO may terminate this Agreement if BDO reasonably determines that it is unable to perform the services described in this Agreement in accordance with applicable professional standards, laws, or regulations. If we elect to terminate our services for any reason provided for in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. If the Agreement is terminated, the School District agrees to compensate BDO for the services performed and expenses incurred through the effective date of termination. Those provisions in this Agreement that, by their very nature, are intended to survive termination shall survive after the termination of the Agreement, including, but not limited to, the parties' obligations related to any of the following provisions: indemnification, limitations on liability, confidentiality, dispute resolution, payment and reimbursement obligations, and limitations on use or reliance.



Client Continuance Matters

BDO is retaining the School District as a client in reliance on information obtained during the course of our client continuance procedures. Bikky Shrestha, a BDO assurance principal, has been assigned the primary responsibility for the engagement and for issuing the appropriate report on the School District's financial statements on behalf of BDO. If such assignment changes during the course of our engagement, we will notify management and those charged with governance.

Email Communication

BDO disclaims and waives, and you release the BDO Group from, all liability for the interception or unintentional disclosure of email transmissions or for the unauthorized use or failed delivery of emails transmitted or received by BDO in connection with the services we are being engaged to perform under this Agreement.

External Computing Options

If, at the School District's request, any member of the BDO Group agrees to use certain external services, including but not limited to services for cloud storage, remote control, and/or file sharing options (collectively "External Computing Options"), that are outside of BDO's standard security protocol, the School District acknowledges that such External Computing Options may be associated with heightened security and privacy risks. Accordingly, the BDO Group disclaims and the School District agrees to release the BDO Group from, and indemnify the BDO Group for, all liability arising out of or related to the use of such External Computing Options.

Use of BDO Advantage Extraction Scripts or Services

With your approval, BDO may use BDO Advantage Extraction Scripts or Services to extract certain general ledger and subledger information from your financial accounting system to facilitate performance of our services. The BDO Advantage Extraction Scripts or Services and all information, content, materials, products (including software), and other services included in or otherwise made available to you through the BDO Advantage Extraction Scripts or Services are provided by BDO on an "as is" and "as available" basis, unless otherwise specified in writing. BDO makes no representations or warranties of any kind, expressed or implied, as to the operation of the BDO Advantage Extraction Scripts or Services, or the information, content, materials, products (including software), or other services included in or otherwise made available to you through the BDO Advantage Extraction Scripts or Services, unless otherwise specified in writing. You expressly agree that your use of the BDO Advantage Extraction Scripts or Services is at your sole risk, and you release the BDO Group from any liability connected therewith. BDO shall not share or sell any of the extracted information to third parties, and BDO shall use such information solely to facilitate performance of the services described in this Agreement.



Ownership of Working Papers

In connection with the performance of our services, we will prepare documents that support our work and include items such as work programs and analyses that do not constitute part of the School District's records ("Working Papers"). The Working Papers prepared pursuant to this Agreement are the property of BDO. The Working Papers constitute confidential, proprietary, and trade secret information, and will be retained by BDO in accordance with our policies and procedures and all applicable laws.

However, pursuant to authority given by law or regulation, we may be requested to make certain Working Papers available to the School District's oversight agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such Working Papers will be provided under the supervision of BDO personnel and at a location designated by BDO. Furthermore, upon request, we may provide photocopies of selected Working Papers to the aforementioned parties. These parties may intend or decide to distribute the photocopies of information contained therein to others, including other governmental agencies. If a Working Paper access request is received from a regulator, we will ask you and the regulator, and any designees, including third party accounting firms, to acknowledge, in writing, the conditions under which we will provide such access; and you agree to provide such written acknowledgment.

Reproduction of Auditor's Report

If the School District plans any reproduction or publication of a document that includes our report, or any portion of it, and that is assembled differently from any paper or electronic version that we have previously reviewed and approved for the School District (e.g., by the addition of financial statements and/or accompanying information that you have produced), a copy of the entire document in its final form should be submitted to us in sufficient time for our review and written approval before printing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Posting of Auditor's Report and Financial Statements on Your Website

You agree that, if you plan to post an electronic version of the financial statements and auditor's report on your website, you will ensure that there are no differences in content between the electronic version of the financial statements and auditor's report on your website and the signed version of the financial statements and auditor's report provided to management by BDO. You also agree to indemnify the BDO Group for all claims that may arise from any differences between the electronic and signed versions.

Review of Documents in Connection with Offering of Sale of Debt

The audited financial statements and our report thereon should not be provided or otherwise made available to lenders, other financial institutions or sources of financing, or others (including advisors to such parties) in connection with any document to be used in the process of obtaining capital, including, without limitation, by means of the sale of securities (including securities offerings on the Internet) without first submitting copies of the document to us in sufficient time



for our review and written approval. If, in our professional judgment, the circumstances require, we may withhold or condition our written approval.

Availability of Records and Personnel

You agree that all records, documentation, and information we request in connection with our audit will be made available to us (including those pertaining to related parties), that all material information will be disclosed to us, and that we will have the full cooperation of, and unrestricted access to, your personnel during the course of the engagement.

You also agree to ensure that any third-party valuation reports that you provide to us to support amounts or disclosures in the financial statements (a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and (b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by Your Personnel and Internet Access

We also ask that your personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to Government employees and/or customers should be provided to us. In addition, we ask that you provide high-speed Internet access to our engagement team, if practicable, while working on the School District's premises. This assistance will serve to facilitate the progress of our work and minimize costs to you.

Peer Review Reports

Government Auditing Standards requires that we provide you with a copy of our most recent quality control review report. Our latest peer review report accompanies this letter.

Other Services

We are always available to meet with you and other executives at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the School District. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend governing board meetings.

In addition to the audit services described above, you have requested that we provide the following non-attest services:

We will assist the School District in preparing the financial statements and related footnote disclosures for the year ended June 30, 2026, based on the School District's accounting records and other information that comes to our attention during the course of our engagement. We will also assist the School District in preparing and submitting the required Form SF-SAC Data Collection Form and the GASB 68 & 75 entries and related footnote disclosures.



Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the School District in the performance of our services. Any discussions that you have with personnel of BDO regarding employment could pose a threat to our independence. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. In addition, because BDO incurs great expense in hiring and training its personnel, if you hire one of our personnel, who provided services to the School District in the immediately preceding 12 months you agree to pay us a fee of 20% of that individual's annualized base compensation at BDO 90 days from the first day of employment of such individual at the School District.

The independence rules of the American Institute of Certified Public Accountants ("AICPA") require that we maintain independence with respect to the School District and all School District's subsidiaries or other affiliates (the "School Affiliates"). In order to meet these requirements, the School District agrees to inform us of all corporate transactions (e.g., mergers, acquisitions) that result in a new School Affiliate in advance of the transaction so that we may (i) identify any prohibited relationships with the new School Affiliate prior to the effective date of the transaction and address them promptly, and (ii) add the new School Affiliate to the School District's "corporate tree" in our independence database so that we maintain independence of the School District Affiliate going forward.

In order for us to remain independent, professional standards require us to maintain certain respective roles and relationships with you with respect to the non-attest services described above. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

We will not perform management functions or make management decisions on behalf of the School District. However, we will provide advice and recommendations to assist management of the School District in performing its functions and fulfilling its responsibilities.

The School District agrees to perform the following functions in connection with our performance of the non-attest services:

- a. Make all management decisions and perform all management functions with respect to the preparation of the financial statements, data collection form, and GASB 68 & 75 provided by us.
- b. Assign Shannon Baird, Director of Finance, to oversee the preparation of the financial statements, data collection form, and GASB 68 & 75 entries and evaluate the adequacy and results of the services.
- c. Accept responsibility for the results of the preparation of the financial statements, data collection form, and GASB 68 & 75 entries.

The services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. The School District must make all



decisions with regard to our recommendations. By signing this Agreement, you acknowledge your acceptance of these responsibilities.

Limitation of Liability

Except to the extent finally determined to have resulted from the fraud or intentional misconduct of any member of the BDO Group, the BDO Group's aggregate liability to the School District for all direct or third party Claims shall not exceed the aggregate amount of fees paid by the School District to BDO during the 12 months preceding the date of the Claim for the services giving rise to the Claim. In no event shall the BDO Group be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this Agreement.

Dispute Resolution Procedure

Any dispute or claim between you and BDO arising out of or relating to the Agreement or the services or fees of BDO, including, without limitation, claims for breach of contract, professional negligence, breach of fiduciary duty, misrepresentation, fraud, or claims based in whole or in part on any other common-law, statutory, regulatory, legal, or equitable theory, and disputes regarding all fees, including attorneys' fees of any type, and/or costs charged under this Agreement ("Arbitration Claims") (except to the extent provided below) shall be submitted to binding arbitration administered by the American Arbitration Association ("AAA"), in accordance with its Commercial Arbitration Rules, as amended by this paragraph. Arbitration Claims shall be brought in a party's individual capacity, and not as a plaintiff or class member in any purported class or representative proceeding. Arbitration Claims shall be heard by a panel of three (3) arbitrators, to be chosen as follows: within thirty (30) days after the commencement of arbitration, each party shall select one person to act as arbitrator; thereafter, the two individually selected arbitrators shall select a third arbitrator who shall have at least twenty (20) years of experience as a practicing lawyer or judge and who shall serve as Chair of the arbitration panel within thirty (30) days of their appointment, or any extension of that time agreed to by the individually selected arbitrators. If an arbitrator is unable to serve or continue to serve as an arbitrator, a replacement arbitrator shall be selected by the party that appointed that arbitrator; if the Chair is unable to serve or continue to serve, the remaining arbitrators shall select a replacement. The arbitration panel shall have the power to rule upon its own jurisdiction and authority, including any objection to the initial or continuing existence, validity, effectiveness, or scope of this arbitration agreement. The arbitration panel may not consolidate more than one person's claims and may not otherwise preside over any form of a representative or class proceeding. The parties may take depositions, in number and duration, consistent with the Federal Rules of Civil Procedure, without satisfying the requirements of the Rule L-3(f). The parties may serve, and the arbitrators shall rule on, objections to discovery requests consistent with practice under the Federal Rules of Civil Procedure. The arbitration panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a federal or state court. The arbitrators shall be empowered to hear dispositive motions, including without limitation motions to dismiss and for summary judgment. The place of arbitration shall be the city in which the BDO office providing the majority of the services involved under this Agreement is located, unless the parties agree in writing to a different location. Regardless of where the arbitration proceeding actually takes place, all aspects of the arbitration and the Agreement shall be governed by the provisions of the laws of the State



of New York (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the procedural and substantive law of such state shall be applied without reference to conflicts of law rules. The parties shall bear their own legal fees and costs for all Arbitration Claims. The award of the arbitrators shall be accompanied by a reasoned opinion, and judgment on the award rendered by the arbitration panel may be entered in any court having jurisdiction thereof. The arbitrators shall not have authority to grant an award that is not supported by substantial evidence or that is based on an error of law, and such absence of substantial evidence or such error of law may be reviewed on appeal on a motion to modify or to vacate an award, with legal conclusions reviewed de novo and factual findings reviewed for clear error, and without otherwise affording deference to the arbitrator’s conclusions and findings. Except as may be required by law or to enforce an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of the parties to the Agreement. The parties to the Agreement acknowledge that by agreeing to this arbitration provision, they are giving up the right to litigate claims against each other, and important rights that would be available in litigation, including the right to trial by judge or jury, to extensive discovery and to appeal an adverse decision. The parties acknowledge that they have read and understand this arbitration provision, and that they voluntarily agree to binding arbitration.

The School District shall bring no Arbitration Claim more than one (1) year following the completion of the services provided under this Agreement to which the Arbitration Claim relates. This paragraph will shorten, but in no event extend, any otherwise legally applicable period of limitations on such Arbitration Claims.

Fees

Our charges to the School District for the services described above for the year ending June 30, 2026, will be \$68,500 plus engagement-related out-of-pocket expenses, travel expenses, and other related costs and expenses incurred to deliver the services described above, including communication, data and technology, printing, and other direct engagement costs. The following is an agreed-upon schedule of payments:

Milestone	Approximate Dates	Amount
Prior to commencement of engagement	07/06/2026	\$20,000
At start of planning	08/17/2026	\$20,000 Plus incurred expenses
At start of final fieldwork	09/07/2026	\$20,000 Plus incurred expenses
Upon completion of final fieldwork	Balance and any out of scope plus incurred expenses	

This fee (range) is based on the following assumptions:

- Your personnel will prepare certain schedules and analyses for us and make available to us documents for our examination as and when requested and will utilize our BDO portal to provide us such documents.



- Our planned audit timing as agreed upon with you does not change and the client-prepared information and documents are available at the beginning of our fieldwork date(s).
- There will be no significant changes in the internal controls, key personnel, or structure of the organization.
- There will be no significant changes in critical systems affecting key financial statement accounts (e.g., significant upgrade, systems integration, and/or systems implementation).
- There will be no significant acquisitions or disposals of businesses.
- The number of audit adjustments identified will be minimal.
- There will not be significant amendments to the School District's debt or financing arrangements requiring significant accounting analysis and/or "debt compliance letters."
- There will not be any unanticipated increases in current operations requiring significant additional audit time.

Should we encounter any unforeseen problems that will warrant additional time or expense, we will notify you of the situation and provide an estimate of our additional fees.

This fee structure does not take into consideration effects that any future standards promulgated by the Governmental Accounting Standards Board and/or other professional bodies will have on our audit procedures. As we become aware of additional audit procedures resulting from these circumstances, we will notify you of the circumstances requiring additional procedures and the resulting additional fee estimates.

Invoices are payable upon receipt. If we do not receive any written notice of dispute within 10 days of your receipt of the invoice, we will conclude that you have seen the invoice and find it acceptable. Invoices that are unpaid 30 days past the invoice date are deemed delinquent and we reserve the right to charge interest on the past due amount at the lesser of (a) 1.0% per month or (b) the maximum amount permissible by applicable law. Interest shall accrue from the date the invoice is delinquent. We reserve the right to suspend our services, withhold any deliverables, or withdraw from this engagement entirely if any of our invoices are delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for all our costs of collection, including without limitation, attorneys' fees.

This engagement includes only those services specifically described in this Agreement; any additional services not specified herein will be agreed to in a separate letter. If BDO or its current or former personnel are requested to, or the School District requests BDO to, object to or respond to, or BDO receives and responds to, a validly issued third party subpoena, court order, government regulatory inquiry or investigation, or other similar request for, or legal process for, the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements with the School District, you agree to compensate us for all time BDO expends in connection with such response, at our standard



rates, and to reimburse BDO for all related out-of-pocket costs and expenses (including outside attorneys' fees) that we incur.

Assignment

BDO shall have the right to assign its rights to perform a portion of the services described above to any of its independent BDO Alliance USA members, member firms of the international BDO network, or unaffiliated third-party contractors (a "Permitted Assignee"). If such assignment is made, BDO will remain primarily responsible for the services described above, unless we and the School District agree otherwise in writing, and we ensure that the work of the Permitted Assignee or Affiliate is performed in accordance with this Agreement. From time to time, and depending on the circumstances, personnel from an Affiliate or Permitted Assignees located in other countries may participate in the services we provide to personnel from a BDO subsidiary or the School District. In some cases, we may transfer information to or from the United States or another country. Although applicable privacy laws may vary depending on the jurisdiction, and may provide less or different protection than those of the School District's home country, we require that all such Affiliates and Permitted Assignees agree to maintain the confidentiality of the School District's information and observe our policies concerning any confidential client information that we provide to them.

The School District may not assign this Agreement, or any rights, obligations, Claims, or proceeds from Claims to another party without our prior written consent.

Third-Party Use

All services hereunder shall be solely for the School District's use and benefit pursuant to our client relationship. This Agreement does not create privity between BDO and any person or party other than the School District, and is not intended for the express or implied benefit of any third party. BDO shall not have any contractual or other responsibility, liability, or duty of care to third parties and third parties do not acquire any rights in or remedies in connection with this Agreement, the services, or deliverables. No third party is entitled to rely, in any manner or for any purpose, on the services of BDO hereunder.

Confidentiality

Each of the parties hereto shall treat and keep all of the "Confidential Information" (defined below) as confidential, with at least the same degree of care as it accords to its own confidential information, but in no event less than a reasonable degree of care. Each party shall disclose the Confidential Information only to its employees, principals, contractors, consultants, agents, or its legal or other advisors, provided that they have: (A) each been informed of the confidential, proprietary, and secret nature of the Confidential Information, or are subject to a binding, preexisting obligation of confidentiality no less stringent than the requirements of this Agreement, and (B) a demonstrable need to review such Confidential Information. "Confidential Information" means all non-public information that is marked as "confidential" or "proprietary" or has commercial value in the party's business and is obtained by one party (the "Receiving Party") from the other party (the "Disclosing Party"). All terms of this Agreement are considered Confidential Information. Notwithstanding the foregoing, Confidential Information shall not include any information that was or is: (a) known to the Receiving Party prior to disclosure by the Disclosing Party; (b) as of the time of its disclosure, or thereafter becomes, part of the public



domain through a source other than the Receiving Party; (c) made known to the Receiving Party by a third person who is not subject to any confidentiality obligation known to Receiving Party and such third party does not impose any confidentiality obligation on the Receiving Party with respect to such information; (d) required to be disclosed pursuant to governmental authority, professional obligation, law, decree regulation, subpoena, or court order; or (e) independently developed by the Receiving Party. If BDO is providing tax services for the School District, in no case shall the tax treatment or the tax structure of any transaction be treated as confidential as provided in Treas. Reg. sec. 1.6011-4(b)(3). If disclosure is required pursuant to subsection (d) above, the Receiving Party shall (other than in connection with routine supervisory examinations by regulatory authorities with jurisdiction and without breaching any legal or regulatory requirement), to the extent legally permissible, provide prior written notice thereof to allow the Disclosing Party to seek a protective order or other appropriate relief. Upon the written request of the Disclosing Party, the Receiving Party shall return or destroy all of the Confidential Information except for (i) copies retained in working paper files retained to comply with a party's professional or legal obligations and (ii) such Confidential Information retained in accordance with the Receiving Party's normal data back-up procedures. Notwithstanding the foregoing, the BDO Group shall have the right to use the Confidential Information, including tax return information, in connection with performing BDO's obligations hereunder, and also to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis, benchmarking and analytics, or other insight generation. Information developed in connection with these purposes may be used or disclosed to provide services or offerings to the School District or current/prospective clients. Except as otherwise permitted in the Agreement or agreed by the parties, BDO will not use or disclose Confidential Information to third parties in a way that would permit the School District to be identified by third parties without the School District's consent. With respect to tax return information, the foregoing consent is valid until further notice by the School District, and the School District may request in writing a more limited use and disclosure.

Subject to applicable professional standards, our engagement by the School District will in no way preclude us from being engaged by any other party in the future. Notwithstanding anything contained in confidentiality provisions set forth herein, BDO shall be permitted to disclose that it is engaged to provide the services to the School District under this Agreement if BDO in its reasonable professional judgment determines that such disclosure is required in connection with BDO's provision of services on behalf of other clients of BDO, including, without limitation, professional services engagements under which BDO personnel act as professionals in legal proceedings that require disclosures, as arbitrators in post-acquisition disputes, or as expert witnesses.

Restricted Federal Data

The parties agree that the services are not intended to involve the processing, storage, disclosure, or transmissions of Restricted Federal Data, defined as data or information subject to laws, regulations, or government-wide policies that require safeguarding or dissemination controls, including but not limited to the Federal Acquisition Regulations ("FAR"), the Defense Federal Acquisition Regulation Supplement ("DFARS"), the International Traffic in Arms Regulation ("ITAR"), the Export Administration Regulations ("EAR"), and the Arms Export Control Act ("AECA"), and any other data or information that is restricted for dissemination or disclosure to foreign nationals. For clarity, and without limiting the foregoing, controlled unclassified information ("CUI") shall be included in the definition of Restricted Federal Data. Because BDO



relies on this information in order to fulfill its own compliance obligations, the School District shall not provide or otherwise make available Restricted Federal Data to BDO or its employees unless expressly agreed to in advance in writing by BDO. If the School District becomes aware that any known or suspected Restricted Federal Data will be or has been disclosed to BDO by the School District or otherwise in connection with the Services, the School District will (a) immediately notify BDO in writing to regulatedgovtdata@bdo.com and will cease any further transfer of such data unless and until BDO expressly agrees in writing, (b) identify which documents at which pages contain such information, (c) identify which export control regulations apply where applicable, and (d) identify the relevant export control classifications that apply to the information in question. The School District will fully cooperate with BDO in the investigation of and response to any known or suspected Restricted Federal Data that the School District has disclosed to BDO notwithstanding the foregoing. The School District further agrees that it will be responsible for all fees, costs, and expenses associated with processing, storage, disclosure, or transmissions of such Restricted Federal Data, including without limitation additional fees, costs, and expenses related to compliance with obligations with respect to such Restricted Federal Data.

Licensing Representation

To the extent necessary for BDO to perform its obligations described herein, the School District represents and warrants that it will obtain, maintain, and comply with all of the licenses, consents, permits, approvals, and authorizations that are necessary to allow BDO and its employees, contractors, and subcontractors to access and use the services or software provided for the benefit of the School District under the School District's third-party services contracts, licenses, or other contracts granting the School District the right to access, use, or receive services or software (each a "Licensing Representation"). Upon BDO's request, the School District will provide BDO any references available evidencing the Licensing Representation (e.g., order number, customer support identifier). Tools subject to this Licensing Representation are hereby deemed External Computing Options (as defined in this Agreement). The School District hereby releases the BDO Group from, and indemnifies the BDO Group for, all claims and liabilities resulting from: (i) BDO's reliance on a Licensing Representation; and (ii) the functionality of any third-party software or services used or accessed by BDO.

Intellectual Property

As between BDO and the School District, the School District is the exclusive owner of all rights in and to all documents, real and tangible property, intellectual property, representations, assumptions, information and data supplied by or on behalf of the School District, its personnel, representatives, advisors, and agents. As between BDO and the School District, BDO owns its pre-existing materials (including software) and any works of authorship, intellectual property, materials, information, general skills, best practices, general knowledge, know-how, processes, methodologies, tools, techniques, or other intellectual property that BDO may have created or discovered prior to, independently of, or as a result of the services (collectively, "BDO Intellectual Property"). For clarity, BDO shall retain the right to reuse the ideas, concepts, know-how, and techniques derived from the rendering of the services under this Agreement so long as it does not require the use or disclosure of any of the School District's Confidential Information. Unless otherwise specifically stated in this Agreement, the reproduction, distribution, or transfer, by any means or methods, whether direct or indirect, of any of BDO's Intellectual Property or proprietary information by the School District is strictly prohibited.



Miscellaneous

This Agreement sets forth the entire agreement between the parties with respect to the matters herein, superseding all prior agreements, negotiations, or understandings, whether oral or written, with respect to the matters herein. The School District's purchase order or other pre-printed, click through, or other terms, attachments, or exhibits are for the School District's administrative purposes only and will not add, modify, amend, or have any effect on the terms of this Agreement, and the terms of this Agreement shall supersede any such additional terms. This Agreement may not be changed, modified, or waived in whole or part except by an instrument in writing signed by both parties. This Agreement is intended to cover only the services specified herein, although we look forward to many more years of pleasant association with the School District. This engagement is a separate and discrete event and any future services will be covered by a separate agreement to provide services.

Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and certain of those banks have mandated the use of this service. Further, such third party confirmation processors also provide for the electronic (and manual) processing of other confirmation types (e.g., investments, legal, accounts receivable, accounts payable, and other audit confirmations, etc.). To the extent applicable, the School District hereby authorizes BDO to participate in such confirmation processes, including through the third party's website (e.g., by entering the School District's bank account information to initiate the process in order to access the bank's confirmation response), and agrees that the BDO Group shall have no liability in connection therewith.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, professional standards, or related published interpretations (including, without limitation, the independence rules of the AICPA, Securities and Exchange Commission, Public Company Accounting Oversight Board, and Government Auditing Standards), but if any provision of this Agreement shall be deemed void, prohibited, invalid, or otherwise unenforceable in whole or in part for any reason under such applicable laws, regulations, professional standards, published interpretations, or any reason whatsoever, such provisions or portion(s) thereof shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and shall be amended to the minimum extent required to make the provision enforceable, and such revised provision shall be made a part of this Agreement as if it was specifically set forth herein. Furthermore, the provisions of the foregoing sentence shall not invalidate the remainder of such provision or the other provisions of this Agreement, which shall remain in full force and effect.

The School District's signature below represents and warrants that it has the full power and authority to enter into this Agreement on behalf of the School District. The School District represents and warrants that this Agreement constitutes the legal, valid, and binding obligation of the School District. The School District agrees to release, indemnify, and hold harmless BDO Group against any Claim to the extent arising out of its breach of any representation or warranty contained in this paragraph.

This Agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this Agreement must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties to this Agreement and all other persons or



Ms. Shannon Baird
June 24, 2026
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entities required by law. An electronically transmitted signature to this Agreement will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such electronic signature.

* * * * *

We believe the foregoing correctly sets forth our understanding; however, if you have any questions, please let us know. If you find the foregoing arrangements acceptable, please acknowledge this by signing this letter via the DocuSign link that we provide. Alternatively, if you are receiving hard copies of this engagement letter and DocuSign will not be used, please return to us a copy of this Agreement and retain a copy for your files.

Very truly yours,



6/25/2026

Acknowledged: _____

PETERSBERG SCHOOL DISTRICT

Signed by:

By: _____
C67392A767F34EA...
Shannon Baird, Director of Finance

Date: 6/25/2026 _____

The BDO USA Client Data Privacy Policy is located at <https://www.bdo.com/legal-privacy/client-data-privacy-policy>. If you have questions about this Privacy Policy, please contact us at privacy@bdo.com.



Report on the Firm's System of Quality Control

November 22, 2024

To the Principals of BDO USA, P.C. and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of BDO USA, P.C. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organizations (SOC 1® and SOC 2® engagements).

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BDO USA, P.C. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BDO USA, P.C. has received a peer review rating of *pass*.

Baker Tilly US, LLP