

Mission: *Lifelong learners will be inspired and developed through effective teaching in a safe and caring environment.*

Vision: *Respect – Pride – Excellence for All*

AGENDA
BOARD OF EDUCATION – REGULAR MEETING
REMOTE – ZOOM – SCHOOL DISTRICT WEBSITE
Monday, June 8, 2020
5:30 p.m.

Due to meeting size restrictions and social distancing restrictions, the Huron Board of Education is conducting their meetings remotely on-line using Zoom, a software for conducting on-line meetings. The meeting can be viewed live from a link on the School's website at <http://huron.k12.sd.us/watch-school-board-meetings/>. If you wish to participate in the Zoom meeting, access can be requested from the Superintendent by email at terry.nebelsick@k12.sd.us or by calling/texting the Superintendent at 605-354-0050. In the days following the meeting, the meeting can also be viewed on the local cable TV public access channel 6.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Adoption of the Agenda**
5. **Dates to Remember**

June 15	Certified Staff Negotiations
June 16	Classified Staff Negotiations
June 22	Board of Education Meeting – 5:30 p.m. – Zoom
July 13	Board of Education Annual Meeting – 5:30 p.m. – Zoom
6. **Community Input on Items Not on the Agenda**
7. **Conflict Disclosure and Consideration of Waivers** - The School Board will review the disclosures and determine if the transactions or the terms of the contracts are fair, reasonable, and not contrary to the public interest.
 - a)
8. **CONSENT AGENDA**

The superintendent of schools recommends approval of the following:

 - a) **Approval and/or Correction of Minutes of Previous Meetings**
 - b) **Consideration and Approval of Bills**
 - c) **Approval and/or Correction of the Financial Report**
 - d) **Board Approval of New Hires**

As was mentioned previously, classified personnel, substitute teachers/classroom aides, and volunteers must be approved in order to be covered by our workers' compensation plan.

 - 1) Julie Stevens/Food Service-HS Cashier/\$15.89 per hour
 - e) **Contracts for Board Approval**
 - 1) Gracelynn Jones/6th Grade Science Teacher-HMS/\$44,369 per year
 - 2) John Halbkat/Director of Buildings & Grounds/\$65,000 per year
 - f) **Resignations for Board Approval**
 - 1) Cheryle Marcus/Para-Educator @ Buchanan K-1 Center/21 years
 - g) **Set Date for Surplus Auction – July 15, 2020 - Online Only**

- h) **Classified Request to be Recognized for Negotiations Purposes**
 - Custodial and Maintenance Personnel – Dean Hirschhorn & Chad Beck
 - Food Service Personnel – Vicky Davis & Janet Johnsen
 - Full-Time Personnel – Ashley Neuharth & Pam Biel
 - Para-Educators
 - Building Secretaries – Angie Boetel & Mandy Hofer
 - Instructional Aides – Pat VanVleet, Joyce Maras, Dayna Winter, Robert Brooks, Peggy Harkness
- i) **The Bid Opening for Gas & Diesel for 2020-2021 was June 3 and no bids were received**
- j) **Permission to Advertise again for Bids for Gas & Diesel for 2020-2021**
- k) **Mr. Christopherson is recommending the student built house bid in the amount \$.50 per square foot for a 1920 square foot house be awarded to Builder's First Source, the only bidder**

(The consent agenda may be approved with one motion. However, if a board member wishes to separate an item for discussion, he/she may do so.)

**9. CELEBRATE SUCCESSES IN THE DISTRICT:
CONGRATULATIONS:**

- Congratulations to Paige Hohertz (Buchanan K-1 Center) and her husband Alex on the birth of their son Colt. He was born on May 28th at 7:13 am, weighing 7lbs 15oz and he was 20 inches long. He joins big brother Suede at home.

THANK YOU TO:



10. REPORTS TO THE BOARD:

- a) **Business Manager's Report**
- b) **Superintendent's Report**
 - ❖ Update on Substitute Teaching

11. OLD BUSINESS

- a) **COVID-19 Update**
- b) **Revised Lease Agreement – Between the Huron School District & the Huron Area Senior Citizen Center, Inc. for the purpose of providing educational opportunities to 18-21 Transition students**

12. NEW BUSINESS

- a) **Approve Audit Engagement Letter for Fiscal Year 2020**
- b) **Handbooks for 2020-2021 – Introduction**

13. RECESS

14. 6:00 P.M. – GOALS REPORT WORK SESSION

No action will be taken

15. EXECUTIVE SESSION

- 1-25-2 Executive or closed meetings may be held for the sole purposes of:
- (4) Preparing for contract negotiations or negotiating with employees or employee representatives.

16. ADJOURNMENT

**Huron School District
New Hire Justification**

Date: May 27, 2020

Applicant Information

Applicant Name: Julie Stevens
Address: 2328 Ohio Ave SW, Huron, SD 57350
Phone: 353-4125
Education: Huron High School, Huron, SD
Experience: 19 years bookkeeping/ accounts receivable
References: Steve Charron, Sherry Eining, Marie Fawcett Bales

Reason for New Hire

New Position: ---
Replacement: Replaces Becky Casper

Position Information

Department: Food Service
Position: HS Food Service Cashier
Supervisor: Kathy Kempf
Responsibilities: Cashier at the HS
Hours: 7:00 A.M. to 2:00 P.M.

Hiring Information

Wages: \$15.89
Classification: Level III B
Wage Justification: Food Service Hiring Schedule
Start Date: August 10th, 2020
Requested by: Amanda Schumacher (Administrator)

TEACHER'S CONTRACT
Huron School District No. 2-2, Huron, South Dakota

Gracelynn Jones

June 1, 2020

YOU ARE HEREBY OFFICIALLY NOTIFIED, that you have been elected as a Teacher in the Huron School District No. 2-2, whose address is City of Huron on the annual salary basis of \$ 44369 for the school term, or the remaining part thereof, of the designated number of teaching days, inclusive of days arranged for pre-school planning, beginning 8/10/2020 and subject to the calendar, or modifications of the same, as adopted by the Board of Education. The salary is to be paid the twentieth day of each of the twelve calendar months.

Your election is subject to the school laws of the State of South Dakota and to the salary schedule and contractual elements rules and regulations of the Board of Education of the Huron School District No. 2-2, which are hereby by reference, incorporated in and made a part of this contract as though set forth herein at length, subject to the right of said Board to terminate the contract for cause, to be determined upon by the Board.

It is further contracted and agreed that your failure to complete the term of teaching prescribed herein for any cause, including but not limited to dismissal or resignation, constitutes a financial damage to the Huron School District No. 2-2 and that from the nature of the case it might be impractical or difficult to fix the actual damage. **THEREFORE**, it is understood and agreed that your failure to complete the term provided herein shall result in the following liquidated damages: failures occurring between the date signed and approved by the School Board through June 30 for the ensuing year, damages shall be assessed at \$1,000.00. For breaking a contract July 1 through July 31, damages shall be assessed at \$2,000.00 and breaking of contract August 1 and for the duration of the first semester, damages shall be assessed at \$3,000.00. Damages will be assessed at \$1,500.00 for breaking of a contract anytime during the 2nd semester. The Board reserves the right to request the Department of Education to suspend the employee's certification for one year in lieu of monetary damages in accordance with SDCL 13-42-9. Teachers who are not full-time employees of the District shall be assessed damages at a percentage which matches their percent of employment.

It is further understood and agreed that resignations shall not become effective until approved by the Board of Education at the next meeting following receipt of said resignation. Further, it is hereby agreed that you will pay to the Huron School District No. 2-2, or the Huron School District No. 2-2 will withhold or appropriate from any monies owed by them to you, and you hereby authorize such withholding or appropriation, the appropriate sum herein above set forth as liquidated damages due to your failure to complete said term.

This agreement becomes a binding contract when signed by the teacher and the Board of Education.

BS

Hired 2020-2021 W/BS and 0 years of teaching experience;

Agreeing to this contract includes the following: Teachers new to the District are expected to work an additional 5 days beginning August 10. During this time, the teacher will receive appropriate training in District programs, and will have time to become adequately prepared for the new school year.

*****CONTRACT MUST BE SIGNED & RETURNED TO THE SUPERINTENDENT'S OFFICE BY MONDAY, JUNE 8, 2020*****

SCHOOL DISTRICT NO. 2-2 OF THE CITY OF
HURON, BEADLE COUNTY, SOUTH DAKOTA

ATTEST:


.....
Business Manager of the School District

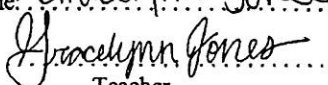
By
Chairman of School District Board

TO THE BOARD OF EDUCATION OF THE HURON SCHOOL DISTRICT NO. 2-2
CITY OF HURON, BEADLE COUNTY, SOUTH DAKOTA

I hereby accept the position mentioned in the foregoing contract of hiring in the Public Schools of Huron, South Dakota, at the salary and upon and under the terms and conditions of the above and foregoing contract and have carefully read said contract and am fully informed as to the contents. I agree to attend such pre-school planning days as are scheduled exclusive of the designated number of teaching days. "I clearly understand that it is my responsibility to be fully certified with the State of South Dakota for the duration of this contract. I accept that my pay will cease on October 1, and my employment may be terminated or suspended without pay until such time that I meet the certification requirements of the job."

Witness my hand this 2 day of June 2020

Witness: 

Print Name: Gracelynn Jones
Sign here: 
Teacher

ADMINISTRATOR'S CONTRACT
Huron School District No. 2-2, Huron, South Dakota

John Halbkat

May 28, 2020

YOU ARE HEREBY OFFICIALLY NOTIFIED, that you have been elected as a **Director of Buildings & Grounds** in the Huron School District No. 2-2, whose address is City of Huron on the annual salary basis of **\$ 65000** for the school term, or the remaining part thereof, of the designated number of teaching days, inclusive of days arranged for pre-school planning, beginning **7/1/2020** and subject to the calendar, or modifications of the same, as adopted by the Board of Education. The salary is to be paid the twentieth day of each of the twelve calendar months.

Your election is subject to the school laws of the State of South Dakota and to the salary schedule and contractual elements rules and regulations of the Board of Education of the Huron School District No. 2-2, which are hereby by reference, incorporated in and made a part of this contract as though set forth herein at length, subject to the right of said Board to terminate the contract for cause, to be determined upon by the Board.

It is further contracted and agreed that your failure to complete the term as an administrator prescribed herein for any cause, including but not limited to dismissal or resignation, constitutes a financial damage to the Huron School District No. 2-2 and that from the nature of the case it might be impractical or difficult to fix the actual damage. **THEREFORE**, it is understood and agreed that your failure to complete the term provided herein shall result in the following liquidated damages: failures occurring between the date signed and approved by the School Board through June 30 for the ensuing year, damages shall be assessed at \$1,000.00. For breaking a contract July 1 through July 31, damages shall be assessed at \$2,000.00 and breaking of contract August 1 and for the duration of the first semester, damages shall be assessed at \$3,000.00. Damages will be assessed at \$1,500.00 for breaking of a contract anytime during the 2nd semester. The Board reserves the right to request the Department of Education to suspend the employee's certification for one year in lieu of monetary damages in accordance with SDCL 13-42-9. Administrators who are not full-time employees of the district shall be assessed damages at a percentage which matches their percent of employment.

It is further understood and agreed that resignations shall not become effective until approved by the Board of Education at the next meeting following receipt of said resignation. Further, it is hereby agreed that you will pay to the Huron School District No. 2-2, or the Huron School District No. 2-2 will withhold or appropriate from any monies owed by them to you, and you hereby authorize such withholding or appropriation, the appropriate sum herein above set forth as liquidated damages due to your failure to complete said term.

This agreement becomes a binding contract when signed by the administrator and the Board of Education.

Contract reflects 2019-2020 salary. Negotiations suspended due to Covid-19 Crisis. Future legislation will impact negotiations.

BS

This contract includes other duties as assigned including expectation to participate in short-term leave program.

Hired 2020-2021 W/BS / The above contract is for 260 days/Vacation and sick leave benefits as per administrative Policy GCB-1 and GCBD-2. Health Insurance provided at \$72.60 per month as needed. You will receive \$60 per unused sick leave day at the end of your employment up to 150 days.

*****CONTRACT MUST BE SIGNED & RETURNED TO THE SUPERINTENDENT'S OFFICE BY THURSDAY, JUNE 4, 2020*****

SCHOOL DISTRICT NO. 2-2 OF THE CITY OF
HURON, BEADLE COUNTY, SOUTH DAKOTA

ATTEST:

.....
Business Manager of the School District

By
Chairman of School District Board

TO THE BOARD OF EDUCATION OF THE HURON SCHOOL DISTRICT NO. 2-2
CITY OF HURON, BEADLE COUNTY, SOUTH DAKOTA

I hereby accept the position mentioned in the foregoing contract of hiring in the Public Schools of Huron, South Dakota, at the salary and upon and under the terms and conditions of the above and foregoing contract and have carefully read said contract and am fully informed as to the contents. I agree to attend such pre-school planning days as are scheduled exclusive of the designated number of teaching days. "I clearly understand that it is my responsibility to be fully certified with the State of South Dakota for the duration of this contract. I accept that my pay will cease on October 1, and my employment may be terminated or suspended without pay until such time that I meet the certification requirements of the job."

Witness my hand this 28 day of May, 2020

Witness: Debra Sabler

Print Name: John Halbkat
Sign here: [Signature]
Administrator

HURON PUBLIC SCHOOLS

Huron, South Dakota

PERSONNEL DATA SUMMARY

1. Name John Halbkat
Present Address 906 Idaho Ave SE – Huron, SD 57350
Position Applied For Director of Buildings & Grounds

2. Preparation and Certification:

	<u>Name of School</u>	<u>Year/Degree</u>
College: BS Degree	<u>SDSU – Brookings</u>	<u>1984 / Economics</u>
MA Degree	<u>_____</u>	<u>_____</u>
Other	<u>_____</u>	<u>_____</u>

3. Teaching Experience - (list the last two positions)

<u>Name of School</u>	<u>How Long/Years</u>	<u>Grades/Subjects</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

4. **Base Salary:** \$65,000 **Teaching Assignment:** Director of Buildings & Grounds
Extra Duty: \$ _____ **Ex Duty Assignment** _____
Total Salary: \$65,000

On May 29, 2020, at 1:32 PM, Marcus, Cheryle <Cheryle.Marcus@k12.sd.us> wrote:

Dear Mr. Nebelsick,

It saddens me so much to have to inform you that I am resigning my position as Para educator at Buchanan School. This hasn't been an easy decision, but because of Covid 19 and my husband being immunosuppressant, it was the only decision I could make.

I have truly loved coming to school each day. I am going to miss the amazing staff at Buchanan. Most of all I will miss working with the kids, missing their hugs and the sweet and hilarious things they say.

I will be thinking of you all and hoping that this virus goes away so that school can get back to normal.

Thank you for everything you have done to keep us all safe during these trying times!

Cheryle Marcus



SCHOOL DISTRICT
Business Office

Kelly Christopherson
Business Manager
150 5th St. SW
Huron, SD 57350
P: (605) 353-6995
F: (605) 353-6994
kelly.christopherson@k12.sd.us

Memorandum

Date: June 4, 2020

To: School Board Members
Terry Nebelsick, Superintendent

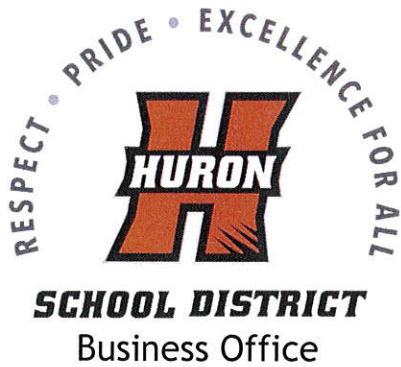
From: Kelly Christopherson, Business Manager

RE: 2020-2021 Gas and Diesel Fuel Bids

Gas and diesel bids were to be opened on June 3.

No bids were received this year.

I recommend re-bidding again to see if someone will bid.



Kelly Christopherson
Business Manager
150 5th St. SW
Huron, SD 57350
P: (605) 353-6995
F: (605) 353-6994
kelly.christopherson@k12.sd.us

Memorandum

Date: June 4, 2020

To: School Board Members
Terry Nebelsick, Superintendent

From: Kelly Christopherson, Business Manager

RE: Student Built House Bids

Bids for the student built house building project for 2020-2021 were opened on June 3.

Builders First Source bid \$.50 per square foot for a 1920 square foot house, totaling \$962.50. No other bids were received.

I recommend accepting the bid of Builders First Source for the vocational house building project for 2020-2021.

LEASE AGREEMENT

THIS LEASE AGREEMENT, entered into on the _____ day of _____, 2020, by and between Huron Area Senior Center, Inc., Huron, South Dakota, hereinafter referred to as "Lessor", and Huron School District No. 2-2, Huron, South Dakota, hereinafter referred to as "Lessee".

RECITALS

- A. Lessor is the sole owner of the premises described below, and desires to lease the same;
- B. Lessee is in the business of educating children and desires to lease space from Lessor;
- C. The parties desire to enter into a Lease Agreement defining their respective rights, duties, and liabilities relating to the premises;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

I.

DESCRIPTION OF PREMISES

- A. Lessor leases to Lessee the first floor of the Huron Area Senior Citizen Center and Campus Apartments formally the Adult Day Care area, Huron, Beadle County, South Dakota.
- B. The demised premises shall be used for the purpose of providing educational opportunities to 18-21 Transition students and no other purposes.

II.

TERM OF LEASE

- A. This Lease Agreement shall commence July 15, 2020 and terminate June 14, 2021; unless terminated sooner as provided herein.
- B. Lessee shall surrender the premises to Lessor immediately upon termination of the lease.

III.

RENTAL

- A. Lessee shall pay as rent for the term of the Lease Agreement a minimum of \$600 per month, for a total of \$7,200 per year. The electric, gas, water, sewer and garbage will be included in the \$600 per month. Said rent shall be paid on the 20th day of each month for the preceding month's rental and payment shall be made to Lessor at Lessor's business address located in Huron, South Dakota.
- B. On Lessee's failure to pay the rental on a timely basis, the Lessor shall have the right to terminate this Lease Agreement and the Lease Agreement shall then be forfeited.

IV.

INSURANCE

The Lessee shall, throughout the term of this lease, at its own cost and expense, procure and maintain public liability insurance with respect to Lessee's use and occupancy of the premises, with limits of at least one million dollars for bodily injury and twenty thousand dollars for property damage. Insurance policy will be endorsed to list Huron Area Senior Center, Inc. as

additional insured. A certificate of Insurance will be provided on an annual basis covering the term of the lease.

V.

ABANDONING PREMISES

Lessee shall not vacate or abandon the demised premises at any time during the term of this Lease Agreement. If Lessee does vacate or abandon the demised premises or is dispossessed by process of law, any personal property belonging to Lessee and left on the demised premises shall be deemed abandoned at the option of Lessor and shall become the property of Lessor.

VI.

ALTERATIONS AND MODIFICATION; REPAIRS

- A. Lessee has inspected the demised premises, and they are now in a tenantable and good condition.
- B. Lessee shall take good care of the demised premises and shall not alter, repair, or change the demised premises without the prior, express, and written consent of Lessor.
- C. All alterations, improvements, and changes that Lessee may desire shall be done either by or under the direction of Lessor, but at the expense of Lessee and shall become the property of Lessor and remain on the demised premises, except that at the option of Lessor, Lessee shall, at its expense, remove from the demised premises all partitions, counters, railings, and similarly installed improvements when surrendering the demised premises.
- D. All damage or injury done to the demised premises by Lessee or any person who may be in or on the demised premises with the consent of Lessee shall be paid for by Lessee.
- E. Lessee shall, at the termination of this Lease Agreement, surrender the demised premises to Lessor in as good condition and repair as reasonable and proper use of the premises will permit.
- F. Lessee shall be responsible for making all routine repairs and for performing routine maintenance. Lessee shall permit Lessor and Lessor's agents to enter the demised premises at all reasonable times to inspect them.

VII.

LIABILITY OF LESSOR

- A. Lessee waives all claims against Lessor for damages to goods or for injuries to persons on or about the demised premises from any cause arising at any time.
- B. Lessee will indemnify Lessor on account of any damage or injury to any person, or to the goods of any person, arising from the use of the demised premises by Lessee, or arising from the failure of Lessee to keep the demised premises in good condition as provided in this Lease Agreement.
- C. Lessee agrees to pay for all damage to the building, as well as all damage or injury suffered by tenants or occupant of the building caused by the misuse or neglect of the demised premises by Lessee.

VIII.

DESTRUCTION OF PREMISES

- A. In the event of a partial destruction of the demised premises during the term this Lease Agreement from any cause, Lessor shall promptly repair the demised premises, provided the repairs can be made within 60 days under the laws and regulations of applicable governmental authorities. If repairs cannot be made within 60 days, Lessor may terminate the lease at Lessor's option.
- B. A total destruction of the building in which the demised premises are situated shall terminate this Lease Agreement.

IX.

ASSIGNMENT AND SUBLEASE

- A. Lessee shall not assign any rights or duties under this Lease Agreement nor sublet the demised premises or any part of the demised premises, nor allow any other person to occupy or use the demised premises without the prior, express, and written consent of Lessor. A consent to one assignment, sublease, or occupation or use by any other person shall not be a consent to any subsequent assignment, sublease, or occupation or use by another person. Any assignment or subletting without consent shall be void.
- B. This Lease Agreement shall not be assignable, as to the interest of Lessee, by operation of law, without the written consent of Lessor.

X.

BREACH OR DEFAULT

Lessee shall have breached this Lease Agreement and shall be considered in default under this Lease Agreement if: (1) Lessee fails to pay any rent when due and does not make the delinquent payment within 10 days after receipt of notice from Lessor; or (2) Lessee fails to perform or comply with any of the covenants or conditions of this Lease Agreement and such failure continues for a period of 10 days after receipt of notice from Lessor.

XI.

TERMINATION

Lessee shall have the privilege of terminating this agreement upon 90 days written notice to Lessor should Lessee's federal funding be terminated. Lessor shall be permitted to terminate this Lease Agreement upon 90 days written notice to Lessee, with cause.

XII.

GOVERNING LAW

It is agreed that this Lease Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of South Dakota.

XIII.

ENTIRE AGREEMENT

This Lease Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease Agreement shall not be binding upon either party except to the extent incorporated in this Lease Agreement.

XIV.

MODIFICATION OF AGREEMENT

Any modification of this Lease Agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the date and year first above written.

HURON SCHOOL DISTRICT NO. 2-2

BY: _____

ITS: Board President

HURON AREA SENIOR CENTER, INC

BY: _____

ITS: _____



e l o c p a ■ c o m

May 21, 2020

Kelly Christopherson, Business Manager
Huron School District No. 2-2
PO Box 949
Huron, SD 57350

We are pleased to confirm our understanding of the services we are to provide Huron School District No. 2-2 for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, 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 Huron School District No. 2-2 as of and for the year ended June 30, 2020. 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), to supplement Huron School District No. 2-2's 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 Huron School District No. 2-2's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained 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 by U.S. generally accepted accounting principles and 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 Proportionate Share of the Net Pension Liability (Asset)
- 4) Schedule of School District Contributions
- 5) Schedule of Funding Progress

We have also been engaged to report on supplementary information other than RSI that accompanies Huron School District No. 2-2's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of expenditures of federal awards.

Mitchell ■ 605.996.7717
Sioux Falls ■ 605.271.1302
Chamberlain ■ 605.234.6055
Huron ■ 605.352.8573
Miller ■ 605.853.2130

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the governing board of Huron School District No. 2-2. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and

Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Huron School District No. 2-2's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Huron School District No. 2-2's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Huron

School District No. 2-2's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Huron School District No. 2-2 in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in

audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

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

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

We will provide copies of our reports to the school district; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of ELO Prof. LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Federal Government, the State of South Dakota, 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 audit documentation will be provided under the supervision of ELO Prof. LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Federal Government and the State of South Dakota. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in approximately August 2020 and to issue our reports no later than December 31, 2020. Jamie Eldeen, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$20,000 plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) Our invoices for these fees will be rendered as follows: 50% upon completion of fieldwork, 25% upon issuance of the draft financial statements, 25% upon final approval of the financial statements. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Should be paid within thirty days of the billing, a service charge equal to one and one-half percent (1 ½%) per month, or eighteen percent (18%) per annum may be added to the fees billed.

We appreciate the opportunity to be of service to Huron School District No. 2-2 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. Please also submit one copy to:

Martin L. Guindon, CPA
Auditor General
Department of Legislative Audit
427 South Chapelle St
%500 East Capitol Ave
Pierre, SD 57501-5070

Very truly yours,

ELO Prof. LLC



Jamie Eldeen, CPA

RESPONSE:

This letter correctly sets forth the understanding of Huron School District No. 2-2.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____