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Superintendent
Gary Rogers

Board of Trustees
Debbie Hoffman
Cody Nissen
Justin Younger
Kimberly Tyler
Mark McClarren

Helen Wilcox School
5737 Autrey Lane
Oroville, CA 95966
(530) 533-7626
Fax (530) 533-6949
Heather Scott, Principal

Honcut School
68 School Street
Oroville, CA 95966
(530) 742-5284
Fax (530) 742-2955
Heather Scott, Principal

Palermo Middle School
7350 Bulldog Way
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(530) 533-4708
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Kimberly Solano, Principal

Golden Hills School
2400 Via Canela
Oroville, CA 95966
(530) 532-6000
Fax (530) 534-7982
Kristi Napoli, Principal

An Equal Opportunity Employer

REGULAR BOARD MEETING AGENDA

March 25, 2026

District Office Boardroom
7390 Bulldog Way, Palermo, CA 95968
5:00 pm

[Note: The Board of Trustees may take action on any item posted on this Agenda. Members of the public may directly address the Board concerning any item on this Agenda prior to or during the Board consideration of that item, as determined by the Board President. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in these meetings, please contact the Superintendent's Office (530) 533-4842, ext. 7. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to these meetings. This Agenda and all supporting documents are available for public review at the District Office, 7390 Bulldog Way, Palermo, CA. Documents that have been distributed to the Board less than 72 hours before the meeting are available for public inspection at the District Office, 7390 Bulldog Way, Palermo, CA 95968.]

INTRODUCTION

1. **Call to Order** (Time_____)
2. **Flag Salute**
3. **Roll Call**
4. **Approval of Agenda**

ACTION_____MOTION_____SECOND_____VOTE_____

5. **Audience with the Board**

Non-Agenda Items:

At this time, the Board President will invite anyone in the audience wishing to address the Board on a matter not listed on the agenda to stand, state your name for the record and make your presentation. Presentations may be limited to five (5) minutes. The Brown Act, however, does not allow the Governing Board to discuss or take action on any item that is not on the posted agenda. The item may, by Board direction, be placed on a later Board Meeting Agenda for discussion and/or action. The Board may direct the Superintendent to investigate the subject and present a follow-up report at a future Board Meeting.

6. **Audience with the Board**

Agenda Items:

This is the time the Board President will invite anyone in the audience wishing to address the Board on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda you will be asked to stand and repeat your name for the record, and make your presentation [five (5) minutes time limit per person].

7. Consent Agenda

The consent agenda will be approved by a single motion and vote unless items are removed by a Board Member and placed on the regular agenda for discussion and action.

Action Items

a. Minutes of March 11, 2026 Regular Board Meeting.

b. Surplus & Obsolete Requests

Request for approval to declare the listed equipment and District property as surplus/obsolete and direct the Superintendent to dispose of these items in accordance with the appropriate methods outlined in Education Code Sections 60500-01, 60510-11, 60520-21, 60530, and Board Policy 3270. Disposal methods may include discarding items at the local dump or donating them to a charitable organization, as the value of the property does not justify the cost of sale. All items listed are valued at less than \$2,500.

Note: Paperwork on this item is available for review at the District Office.

- Weight room equipment
- Food warmer SN: HV713275
- Kitchen Ovens

c. Contract with Chrissy White & Associates to provide audit services in the amount of \$26,250 for the fiscal year ending June 30, 2026.

REFERENCE #1

Reports

d. Events Calendar

REFERENCE #2

e. Districtwide Discipline Report | January 2026

REFERENCE #3

CONSENT AGENDA APPROVAL

ACTION ____ MOTION ____ SECOND ____ VOTE ____

8. ITEMS REMOVED FROM CONSENT AGENDA

a. ACTION ____ MOTION ____ SECOND ____ VOTE ____

b. ACTION ____ MOTION ____ SECOND ____ VOTE ____

9. Staff Reports/Business Items

- a. Annual review of the Palermo Union Elementary School District's Transportation Services Plan, as required per Education Code Section 39800.1 as a condition of receiving apportionments for Transportation Services.

REFERENCE #4

- b. It is recommended that Board Resolution No. 26-06, Board Member Compensation for Missed Meetings, allowing Justin Younger to receive Board Member Compensation for March 11, 2026 be approved.

REFERENCE #5

ACTION _____ MOTION _____ SECOND _____ VOTE _____

- c. California School Employees Association, Bargaining Unit 336. Comments from CSEA, if any, to the Governing Board.
- d. Palermo Teachers Association, Bargaining Unit (PTA/CTA/NEA). Comments from PTA, if any, to the Governing Board.

11. Board Policies & Administrative Regulations

The following Board Policies and Administrative Regulations are presented to the Board for first reading.

Please Note: All Board Policies and Administrative Regulations listed below are available for review at the District Office.

- a. Board Policy 5113 – Absences and Excuses
- b. Administrative Regulation 5113 – Absences and Excuses
- c. Administrative Regulation 5113.11 – Attendance Supervision
- d. Board Policy 5113.12 – District School Attendance Review Board
- e. Administrative Regulation 5113.12 – District School Attendance Review Board
- f. Board Policy 5113.2 – Work Permits
- g. Administrative Regulation 5113.2 – Work Permits
- h. Board Policy 5141 – Health Care and Emergencies
- i. Administrative Regulation 5141 – Health Care and Emergencies

- j. Board Policy 5141.4 – Child Abuse Prevention and Reporting
- k. Administrative Regulation 5141.4 – Child Abuse Prevention and Reporting
- l. Board Policy 5142 – Safety
- m. Administrative Regulation 5142 – Safety
- n. Board Bylaw 9005 – Governance Standards

12. Superintendent’s Reports

13. Board Items

CLOSED SESSION (Time _____)

1. Closed session for the purpose of discussing student matters/discipline, in accordance with Education Code Sections 48918 and 35146.
2. Closed session regarding matters of personnel/employment all in accordance with Government Code Section 54957.
3. Closed session regarding matters of negotiation with the Palermo Teachers Association (PTA/CTA/NEA) and Classified School Employees Association (CSEA), Bargaining Unit 336. In accordance with Government Code Section 54957.6, with designated representative Gary Rogers, Superintendent; and matters of negotiations with unrepresented groups, certificated management and classified management/confidential, in accordance with Government Code Section 54957.6, with designated representative Gary Rogers, Superintendent.

OPEN SESSION (Time _____)

14. Personnel | Recommendation: Approval (Pending successful completion of pre-employment requirements.)

Resignation

- a. Alise Kubecki, SPED Teacher, Palermo Middle School, resignation effective June 6, 2026.
- b. Cooper Friberg, Grounds/Maintenance, District Wide, resignation effective March 21, 2026.

ADJOURNMENT (Time _____)

Palermo Union Elementary School District
Regular Board Meeting Minutes
March 11, 2026
District Office Boardroom
7390 Bulldog Way, Palermo, CA 95968

INTRODUCTION

1. Board President Debbie Hoffman called the meeting to order at 4:59 PM, and welcomed those in attendance.
2. Board President Debbie Hoffman led those in attendance in the flag salute.
3. Members of the Governing Board in attendance were: Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren.

Others present were: Gary Rogers, Ruthie Anaya, Beth Madison, and Jessica Coon.

4. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending the agenda be approved. Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.

5. **Audience with the Board**

Non-Agenda Items:

No one had business to bring before the Board.

6. **Audience with the Board**

Agenda Items:

No one had business to bring before the Board.

PUBLIC HEARING

President asked Superintendent to introduce agenda item.

President opened item for public comment.

The public was invited at this time to provide input and comment to the Board of Trustees of the Palermo Union Elementary School District on the proposed School Facilities Fees as authorized by Education Code Section 17620 and Government Code 65995.

President closed item for public comment.

Board discussion.

7. **Tell Me Something Good | Site & Student Recognition**

Preschool

The Palermo Preschool and the Palermo Middle School are engaged in a great collaboration that promotes literacy for our young learners. Once a week the preschool students go to a reading time with Mrs. Cook. Mrs. Cook has a collection of classic children's stories that the preschool students are enjoying. She surprises the children with a sticker or other reminder to keep reading as they leave the library. She discusses the importance of the library for the students at the middle school and how the preschool students will use the library in their future learning. Many Thanks Mrs. Cook, Mrs. Rodriguez, and Mrs. Sasek for their coordination to promote READING.

Helen Wilcox School

Helen Wilcox is in a full mid year sprint! We are celebrating reading with Dr. Seuss week. What a great week of school spirit mixed with reading activities! One of the highlights was the Butte County Probation Department reading to our first graders (and more) and following up with a yummy graphing project. Thank You Butte County Probation Dept! Mrs. Leonard's class put on a wonderful reader's theater. We ended the week with an assembly celebrating reading, the three B's, and wrapping up teachers in streamers! We also thank Theresa Owens for her visit. We always appreciate her insight, positivity, and focus! Our third graders went to the Chinese Temple. They loved how colorful and beautiful the temple truly is - and right downtown! Our year to date attendance is 93.4%, and February was a low of 92.2%. Interestingly, since Mrs. Scott has offered herself as a water balloon target for all students who have perfect attendance in March, our attendance rate has shot up! (I'm disappointed because I had to take a day off!) Way to go HW & way to be Wildcats!!

Golden Hills

Golden Hills Spelling Bee held on February 26th!! We are proud of all participants! Our winners, Miguel and Avery, will represent our school in the county wide spelling bee.

We held our first Career Week in February! Career Week was a success! We had some great presenters!

Erica Ott: School Nurse with Oroville City Elementary School District

Mathew Wallen: Retired Fire Chief

Bob Grant: Owner of Grant Kustom; A local custom care shop.

Greg Clink: Retired CSU Chico Basketball Coach

Sergio Garcia: Personal Injury Attorney

Casey Montez: CFO of Sac Anime

Albert Hougland: Retired Fuel Mechanic in the US Airforce

Mark Morris: Entrepreneur and owner of Elite Sound

We want to thank all of our presenters for taking the time out of their busy days to come share with our students. Everyone did an amazing job! It was such a great experience for our students!

8. **Consent Agenda**

A motion was made by Cody Nissen, seconded by Justin Younger, recommending the following Consent Agenda items be approved. Debbie Hoffman, Cody Nissen, Justin Younger, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.

Action Items

- a. Minutes of February 25, 2026 Regular Board Meeting.
- b. Warrants of February 1, 2026 through February 28, 2026, 345482-347526, for the amount of \$787,789.64, Funds 01, 12, 13, 35, 40.
- c. Agreement with Orange County Superintendent of Schools for the Hmong and Cultural Studies grant.

d. Surplus & Obsolete Requests

Request for approval to declare the listed equipment and District property as surplus/obsolete and direct the Superintendent to dispose of these items in accordance with the appropriate methods outlined in Education Code Sections 60500-01, 60510-11, 60520-21, 60530, and Board Policy 3270. Disposal methods may include discarding items at the local dump or donating them to a charitable organization, as the value of the property does not justify the cost of sale. All items listed are valued at less than \$2,500.

Note: Paperwork on this item is available for review at the District Office.

- Chromebooks
- Laptops

Reports

- e. Events Calendar
- f. Palermo Account Ledger | January 1, 2026 – January 31, 2026
- g. Staff Development Report | February 2026
- h. Enrollment Report | Month Five

9. **Items Removed from the Consent Agenda**

There were no items removed from the Consent Agenda.

10. **Staff Reports/Business Items**

- a. Ruthie Anaya, Assistant Superintendent of Business Services, provided the Board with an overview of the 2025-26 Second Interim Budget Report. Mrs. Anaya explained that there are two significant expenditure adjustments from the First Interim Budget for 2025–26. The first is an increase of \$134,978 in benefits, reflecting the addition of the District's contribution toward retiree benefits. The second adjustment, totaling

\$420,819 and reflected in Other Outgo, is due to an increase in the special education billback for services provided by the Butte County Office of Education.

Beth Madison, Director of Special Education, contributed to the discussion by providing the Board with current special education enrollment and service data within the District. She also outlined potential options for reducing the District's special education costs. However, she noted that these options would require significant programmatic changes and would not be ready for implementation by the 2026–27 school year.

- b. A motion was made by Cody Nissen, seconded Mark McClarren, recommending that the 2025-26 Second Interim Budget be approved. Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- c. A motion was made by Cody Nissen, seconded Mark McClarren, recommending that Board Resolution No. 26-04 authorizing Palermo Union Elementary School District to impose Level 1 Developer Fees, as authorized by Education Code Section 17620 and Government Code Section 65995, be approved. Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- d. A motion was made by Mark McClarren, seconded Kimberly Tyler, recommending that Board Resolution No. 26-05, Board Member Compensation for Missed Meetings, allowing Cody Nissen to receive Board Member Compensation for February 25, 2026 be approved. Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- e. A motion was made by Cody Nissen, seconded Mark McClarren, recommending that the Erate bid assessment and contract with KS Telecom for Category 2 cabling in the amount of \$110,508, be approved (Erate Funding: \$93,932; District Unrestricted Funding: \$16,576). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- f. A motion was made by Cody Nissen, seconded Mark McClarren, recommending that the Memorandum of Understanding between Palermo Union Elementary School District and Palermo Little League outlining terms and conditions which allow the League to use District-owned athletic fields, be approved. Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- g. A motion was made by Cody Nissen, seconded Mark McClarren, recommending that the revised Accounts Payable Technician job description be approved, pending CSEA approval. Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- h. There were no comments from the California School Employees Association, Bargaining Unit 366.
- i. There were no comments from the Palermo Teachers Association, Bargaining Unit (PTA/CTA/NEA).

11. Board Policies & Administrative Regulations

The following Board Policies and Administrative Regulations were presented to the Board for second and final reading.

Please Note: All Board Policies and Administrative Regulations listed below are available for review at the District Office.

- a. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 5125.1 – Release of Directory Information, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- b. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Administrative Regulation 5125.1 – Release of Directory Information, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- c. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Exhibit 5125.1 – Release of Directory Information, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- d. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 5131 – Conduct, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- e. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Administrative Regulation 5131.41 – Use of Seclusion and Restraint, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- f. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 5131.6 – Alcohol and Other Drugs, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- g. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Administrative Regulation 5131.6 – Alcohol and Other Drugs, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- h. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 5131.8 – Mobile Communication Devices, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.

- i. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 5141.5 – Mental Health, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- j. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 5145.6 – Parent Guardian Notifications, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- k. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Exhibit 5145.6 – Parent Guardian Notifications, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- l. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 6141.2 – Recognition of Religious Beliefs and Customs, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- m. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Administrative Regulation 6141.2 – Recognition of Religious Beliefs and Customs, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- n. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 6142.8– Comprehensive Health Education, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- o. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Administrative Regulation 6142.8– Comprehensive Health Education, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- p. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 6142.91 – Reading Language Arts Instruction, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- q. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 6142.94 – History Social-Science Instruction, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- r. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 6159– Individualized Education Program, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.

- s. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Administrative Regulation 6159 – Individualized Education Program, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- t. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Administrative Regulation 6159.4 – Behavioral Interventions for Special Education Students, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- u. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Policy 6161.1 – Selection and Evaluation of Instructional Materials, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- v. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Administrative Regulation 6161.1 – Selection and Evaluation of Instructional Materials, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- w. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Exhibit 6161.1 – Selection and Evaluation of Instructional Materials, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.
- x. A motion was made by Cody Nissen, seconded by Mark McClarren, recommending that revised Board Board Policy 6161.11 – Supplementary Instructional Materials, be approved (second and final reading). Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.

12. **Superintendent’s Reports**

None.

13. **Board Items**

None.

CLOSED SESSION

The Board recessed into Closed Session at 5:33 p.m. to discuss the following:

- 1. Closed session for the purpose of discussing student matters/discipline, in accordance with Education Code Sections 48918 and 35146.

2. Closed session regarding matters of personnel/employment all in accordance with Government Code Section 54957.
3. Closed session regarding matters of negotiation with the Palermo Teachers Association (PTA/CTA/NEA) and Classified School Employees Association (CSEA), Bargaining Unit 336. In accordance with Government Code Section 54957.6, with designated representative Gary Rogers, Superintendent; and matters of negotiations with unrepresented groups, certificated management and classified management/confidential, in accordance with Government Code Section 54957.6, with designated representative Gary Rogers, Superintendent.

OPEN SESSION

The Board reconvened into Open Session at 6:05 p.m.

ACTION ITEMS

None.

18. **Personnel | Recommendation: Approval** (Pending successful completion of pre-employment requirements.)

A motion was made by Cody Nissen, seconded by Mark McClarren, recommending the following personnel items be approved. Debbie Hoffman, Cody Nissen, Kimberly Tyler, and Mark McClarren voted aye. Motion unanimously carried.

Classified

- a. Kristen Boling, Instructional Aide, Golden Hills School, add BA stipend, effective March 1, 2026.

Certificated

- b. Sarah Lewis, Certificated Teacher, Helen Wilcox School, add Master's stipend, effective March 1, 2026.
- c. Kathleen Andoe-Nolind, Certificated Substitute, Districtwide, add to certificated substitute list, effective February 27, 2026.
- d. Esmerelda Velazquez-Cortes, Certificated Substitute, Districtwide, add to certificated substitute list, effective March 2, 2026.

Leaves of Absence

- e. Karen Hunter, Instructional Aide, Helen Wilcox School, general leave of absence March 2, 2026 through March 31, 2026.

Resignation

- f. Kimberly Solano, Principal, Palermo Middle School, resignation effective June 30, 2026.
- g. Lacey Leonard, Reading Intervention Aide, Helen Wilcox School, resignation effective June 5, 2026.
- h. Elaina Arivett, Site Supervisor, Honcut Preschool, resignation effective March 19, 2026.

ADJOURNMENT

Board President Debbie Hoffman declared the meeting adjourned at 6:05 p.m.

Respectfully submitted,

Gary Rogers
Secretary of the Governing Board



Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

February 12, 2026

Governing Board and Management
Palermo Union Elementary School District
7390 Bulldog Way
Palermo, CA 95968

We are pleased to confirm our understanding of the services we are to provide for Palermo Union Elementary School District for the fiscal year ending June 30, 2026.

Audit Scope

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Palermo Union Elementary School District as of and for the fiscal year ending June 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Palermo Union Elementary School District'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 Palermo Union Elementary School District's RSI in accordance with auditing standards generally accepted in the United States of America (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 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 GAAP and will be subjected to certain limited procedures, but will not be audited:

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

We have also been engaged to report on supplementary information other than RSI that accompanies Palermo Union Elementary School District'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 GAAS, 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 (if Uniform Guidance applies*).
2. Other schedules and/or information as required by the State Controller's Office.

**A Federal Single Audit under Uniform Guidance is applicable in any year that Palermo Union Elementary School District expends more than the Single Audit Threshold in Federal funds.*

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christywhite.com

Audit Objectives

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, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include 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), if applicable.
- An opinion (or disclaimer of opinion) on the District's compliance with the types of compliance requirements described in the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810.

Auditor's Responsibilities

We will conduct our audit in accordance with GAAS; 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; the provisions of the Uniform Guidance (if applicable), and the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance (if applicable), and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 school district 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, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS 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.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also 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.

Audit Procedures – Internal Controls

We will obtain an understanding of the school district and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a 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, misrepresentation, or the override of internal control. 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 (if applicable), 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 Palermo Union Elementary School District'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*.

When applicable, 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 Palermo Union Elementary School District '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 Palermo Union Elementary School District '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 Palermo Union Elementary School District in conformity with accounting principles generally accepted in the United States of America 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

Our audit will be conducted on the basis that you acknowledge and understand your responsibility 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 accounting principles generally accepted in the United States of America; 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.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance (if applicable); (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. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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 taken 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 school district 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 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 laws, regulations, contracts, agreements, and grants. You are 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, when 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 (if applicable). 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. 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 (if applicable); (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance (if applicable); (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. 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 Scope and 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.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities for 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, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the 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.

Reporting

We will issue written reports upon completion of our audit. Our reports will be addressed to the Governing Board of Palermo Union Elementary School District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. 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.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state 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. If issued, the Uniform Guidance report on internal control over compliance will state 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.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Christy White, Inc, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

Audit 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. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

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 an electronic and up to five copies of our reports to the school district; however, management is responsible for distribution of the reports and the financial statements. We will file the report with the Office of the State Controller, California Department of Education, and the Butte County Office of Education by the published deadline. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

By your signature below, you acknowledge the audit documentation for this engagement is the property of Christy White, Inc 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 Office of the State Controller 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 Christy White, Inc 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 seven years after the report release date or for any additional period requested by the Office of the State Controller. 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. Christy White, Inc does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible future use, including potential examination by any government or regulatory agencies. Christy White, Inc does not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data and records.

We expect to begin our audit as soon as possible and to issue our reports by the published deadline. The maximum annual fee for auditing services under the terms of this agreement shall not exceed the following agreed upon amounts:

	<u>2025-26</u>
District Audit Fees	\$ 26,250

The maximum annual fee for auditing services shall not exceed the above amounts, with the exception that any auditing services provided for (1) significant changes in District audit requirements as stated in *Government Auditing Standards* or the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the Education Audit Appeals Panel, or (2) any changes in the number of funds or accounts maintained by the Palermo Union Elementary School District during the period under this agreement, shall be in addition to the above maximum fee. The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

Our invoices for these fees will be rendered upon completion of fieldwork as follows: 25% of contract upon completion of site testing and/or planning, 25% of contract upon completion of interim testing and 50% of contract upon completion of year end fieldwork and are payable on presentation. In accordance with Education Code Section 14505 as amended, ten percent (10%) of the audit fee shall be withheld pending certification of the audit report by the Office of the State Controller and fifty percent (50%) of the audit fee shall be withheld for any subsequent year of a multi-year contract if the prior year's audit report was not certified as conforming to the reporting provisions of the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

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 reports. 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.

No Legal Services

Palermo Union Elementary School District acknowledges and agrees that Christy White, Inc does not provide legal services or licensed accounting services, and such licensed professional services are not included within the services which Christy White, Inc may provide under this Agreement. Palermo Union Elementary School District agrees to consult a lawyer and/or licensed accountant if Palermo Union Elementary School District seeks legal or accounting advice, and shall not rely on Christy White, Inc for such advice, consultation or services.

Indemnification

Palermo Union Elementary School District shall indemnify Christy White, Inc and hold harmless its directors, officers, employees, and agents from and against any and all actions, claims, damages and losses, including attorney's fees that may arise out of or in any way result from the negligent or intentional acts, errors, or omissions of Palermo Union Elementary School District. To the extent that Palermo Union Elementary School District properly directs Christy White, Inc, and to the extent that Christy White, Inc fails to properly perform the Services, Christy White, Inc shall indemnify and hold Palermo Union Elementary School District and its officers and employees harmless from and shall defend at its own expense all claims, demands, or suits at law or equity arising in whole or in part, but only to the extent that they arise from Christy White, Inc's active negligence or express breach of its obligations under this Agreement. Nothing in this Agreement shall require Christy White, Inc to indemnify Palermo Union Elementary School District against claims, demands or suits based upon intentional or negligent acts of Palermo Union Elementary School District, its agents, officers or employees.

Informal Dispute Resolution and Mediation

If any dispute arises among the parties, they agree to first try in good faith to settle the dispute within 7 business days following written notice thereof by communications between themselves. If the parties are unable to successfully resolve the dispute through such informal communications, then they shall attempt to do so within 45 days thereafter by mediation in San Diego County, California, either in person or by Zoom, under Rules for Professional Accounting and Related Services Disputes before resorting to binding arbitration. Any mediator chosen by the parties must have an accounting background unless they mutually agree in writing after the dispute has arisen to the selection of a mediator that does not have such an accounting background.

Binding Arbitration

The parties agree that any claim or controversy that is not resolved through the informal dispute resolution and mediation procedures described above, but which arises out of or relates to this agreement, or accountant's performance or non-performance of services including, without limitation, fees charged by accountant, professional negligence, malpractice, breach of fiduciary duty, and the like will be determined by binding arbitration before the Judicial Arbitration and Mediation Services (JAMS) office in San Diego, California, whether in person or by Zoom. The parties' consent to such jurisdiction and venue, unless they mutually select another venue in writing. Unless expressly set forth to the contrary herein, while the arbitration is pending, the parties shall share the costs of arbitration and arbitrator fees equally. Nevertheless, the arbitrator shall be empowered to reallocate such costs and fees to one side or the other as part of his or her final award. The arbitration will also utilize the then-prevailing comprehensive arbitration rules of JAMS, except that discovery may be taken in that arbitration pursuant to the California Code of Civil Procedure.

The arbitrator to be chosen by the parties shall have an accounting background unless they mutually agree in writing to the selection of an arbitrator that does not have an accounting background. If the parties are unable to agree on the selection of an arbitrator within 14 days after the commencement of the arbitration, then the arbitrator shall be chosen in accordance with the JAMS' rules for arbitrator selection. JAMS shall use its best efforts to include one or more arbitration candidates for the parties to choose from that have an accounting background.

Judgment may be entered upon the arbitrator's award by the San Diego Superior Court. Should Palermo Union Elementary School District refuse or neglect to appear or participate in the binding arbitration proceeding or pay for its share of the arbitration fees and costs, the arbitrator is empowered to decide the claim or controversy in accordance with the evidence presented.

Palermo Union Elementary School District should realize that by accepting arbitration, IT WILL WAIVE ITS RIGHT TO A JURY TRIAL AND THE RIGHT, EXCEPT UNDER LIMITED CIRCUMSTANCES, TO APPEAL THE ARBITRATOR'S DECISION.

Cooperation

This audit contract is null and void if the firm is declared ineligible to audit K-12 school districts pursuant to subdivision (c) of Education Code Section 41020.5. 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.

Independence

Professional standards require us to be independent with respect to the company. Any discussions with our personnel regarding employment could pose a threat to our independence. Therefore, you agree to inform the engagement partner before having any such discussions.

In accordance with *Government Auditing Standards*, upon request, we will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract.

Christy White, Inc has a non-licensee owner who may provide client services in your contract under the supervision of licensed owner.

We appreciate the opportunity to be of service to the Palermo Union Elementary School District 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.

Very truly yours,



Christy White Brook, CPA, CFE
President
Christy White, Inc

RESPONSE:

This letter correctly sets forth the understanding of Palermo Union Elementary School District.

Signature _____ Title _____ Date _____

EVENTS CALENDAR

PALERMO UNION ELEMENTARY SCHOOL DISTRICT

Date	Event	Location	Time
March 25, 2026	Regular Board Meeting	District Boardroom	5:00 PM
April 6-10, 2026	Easter Break <small>(No students, teachers or 10-month employees)</small>		
April 16, 2026	Open House	Palermo Middle School	5:30 PM
April 22, 2026	Regular Board Meeting	District Boardroom	5:00 PM
May 13, 2026	Regular Board Meeting	District Boardroom	5:00 PM
May 14, 2026	Spring Band Concert	Palermo Middle School	6:00 PM
May 25, 2026	Memorial Day <small>(No students, teachers or staff)</small>		
May 27, 2026	Regular Board Meeting	District Boardroom	5:00 PM
June 4, 2026	8th Grade Graduation	Palermo Middle School	9:00 AM
June 10, 2026	Regular Board Meeting	District Boardroom	5:00 PM
June 19, 2026	Juneteenth <small>(No students, teachers or staff)</small>		
June 17, 2026	Regular Board Meeting	District Boardroom	5:00 PM
June 24, 2026	Regular Board Meeting	District Boardroom	5:00 PM
July 8, 2026	Regular Board Meeting	District Boardroom	5:00 PM
July 22, 2026	Regular Board Meeting	District Boardroom	5:00 PM
August 12, 2026	Regular Board Meeting	District Boardroom	5:00 PM
August 26, 2026	Regular Board Meeting	District Boardroom	5:00 PM
September 9, 2026	Regular Board Meeting	District Boardroom	5:00 PM
September 23, 2026	Regular Board Meeting	District Boardroom	5:00 PM
October 14, 2026	Regular Board Meeting	District Boardroom	5:00 PM
October 28, 2026	Regular Board Meeting	District Boardroom	5:00 PM
November 11, 2026	Veteran's Day <small>(No students, teachers or staff)</small>		
November 18, 2026	Regular Board Meeting	District Boardroom	5:00 PM
December 16, 2026	Annual Organizational Meeting	District Boardroom	5:00 PM

**PALERMO UNION SCHOOL DISTRICT
DISTRICT-WIDE DISCIPLINE REPORT:**

January 2025										
INFRACTION <u>In School Suspensions</u>										
Grounds for Suspension/Expulsion	TK	K	1	2	3	4	5	6	7	8
(a) (1) Caused, attempted to cause, or threatened to cause physical injury to another person.									3	
(a) (2) Willfully used force or violence upon the person of another, except in self-defense.										
(b) Possessed, sold or otherwise furnished any firearm, knife, explosive, or other dangerous object without written permission from a certificated employee and concurrence by the principal or his designee.										
(c) Unlawfully possessed, used, sold, or otherwise furnished or been under the influence of any controlled substance, alcoholic beverage, or intoxicant of any kind.										
(d) Unlawfully offered or arranged or negotiated to sell any controlled substance, an alcoholic beverage, or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance, or material and represented the liquid, substance or material as a controlled substance, alcoholic beverage, or intoxicant.										
(e) Committed or attempted to commit robbery or extortion.										
(f) Caused or attempted to cause damage to school property or private property.										
(g) Stole or attempted to steal school property or private property.										
(h) Possessed or used tobacco.										
(i) Committed an obscene act or engaged in habitual profanity or vulgarity.								1	1	
(j) Unlawfully offered, arranged or negotiated to sell any drug paraphernalia.										
(k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, or other school personnel engaged in the performance of their duties.										
(l) Knowingly received stolen school property or private property.										
(m) Possessed an imitation firearm.										
(n) Committed or attempted to commit a sexual assault or committed a sexual battery.										
(o) Harassed, threatened, or intimidated a pupil who is a complaining witness or witness in a school disciplinary proceeding for the purpose of either preventing that pupil from being a witness, or retaliating against that pupil for being a witness, or both.										
(r) Engaged in an act of bullying, including bullying committed through electronic means.										
(48900.2) Sexual Harassment (Excluding grades K-3, inclusive)										
(48900.3) Causing, threatening to cause or participating in an act of hate violence. (Excluding grades K-3, inclusive)										
(48900.4) Intentionally engaged in harassment, threats, or intimidation, directed against a pupil or group of pupils, that is sufficiently severe or pervasive to have the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder, and invading the rights of that pupil or group of pupils by creating an intimidating or hostile education environment. (A pupil or pupils enrolled in any of grades 4-12, inclusive.)										
.7 Made terroristic threats against school officials or school property.										
Total Number of Incidents	0	0	0	0	0	0	0	1	4	0

**PALERMO UNION SCHOOL DISTRICT
DISTRICT-WIDE DISCIPLINE REPORT:**

INFRACTION	Out of School Suspensions									
Grounds for Suspension/Expulsion	TK	K	1	2	3	4	5	6	7	8
(a) (1) Caused, attempted to cause, or threatened to cause physical injury to another person.						1			1	
(a) (2) Willfully used force or violence upon the person of another, except in self-defense.										
(b) Possessed, sold or otherwise furnished any firearm, knife, explosive, or other dangerous object without written permission from a certificated employee and concurrence by the principal or his Designee.										
(c) Unlawfully possessed, used, sold, or otherwise furnished or been under the influence of any controlled substance, alcoholic beverage, or intoxicant of any kind.										
(d) Unlawfully offered or arranged or negotiated to sell any controlled substance, an alcoholic beverage, or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance, or material and represented the liquid, substance or material as a controlled substance, alcoholic beverage, or intoxicant.										
(e) Committed or attempted to commit robbery or extortion.										
(f) Caused or attempted to cause damage to school property or private property.										
(g) Stole or attempted to steal school property or private property.										
(h) Possessed or used tobacco.										
(i) Committed an obscene act or engaged in habitual profanity or vulgarity.								1		
(j) Unlawfully offered, arranged or negotiated to sell any drug paraphernalia.										
(k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, or other school personnel engaged in the performance of their duties.										
(l) Knowingly received stolen school property or private property.										
(m) Possessed an imitation firearm.										
(n) Committed or attempted to commit a sexual assault or committed a sexual battery.										
(o) Harassed, threatened, or intimidated a pupil who is a complaining witness or witness in a school disciplinary proceeding for the purpose of either preventing that pupil from being a witness, or retaliating against that pupil for being a witness, or both.										
(r) Engaged in an act of bullying, including bullying committed through electronic means.										
(48900.2) Sexual Harassment (Excluding grades K-3, inclusive)										
(48900.3) Causing, threatening to cause or participating in an act of hate violence. (Excluding grades K-3, inclusive)										
(48900.4) Intentionally engaged in harassment, threats, or intimidation, directed against a pupil or group of pupils, that is sufficiently severe or pervasive to have the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder, and invading the rights of that pupil or group of pupils by creating an intimidating or hostile education environment. (A pupil or pupils enrolled in any of grades 4-12, inclusive.)										
.7 Made terroristic threats against school officials or school property.										
Total Number of Incidents	0	0	0	0	0	1	0	1	1	0

**PALERMO UNION SCHOOL DISTRICT
DISTRICT-WIDE DISCIPLINE REPORT:**

INFRACTION	Number of referrals to AEP									
Grounds for Suspension/Expulsion	TK	K	1	2	3	4	5	6	7	8
(a) (1) Caused, attempted to cause, or threatened to cause physical injury to another person.		3	2	4	1	6	7	2	3	
(a) (2) Willfully used force or violence upon the person of another, except in self-defense.										
(b) Possessed, sold or otherwise furnished any firearm, knife, explosive, or other dangerous object without written permission from a certificated employee and concurrence by the principal or his Designee.										
(c) Unlawfully possessed, used, sold, or otherwise furnished or been under the influence of any controlled substance, alcoholic beverage, or intoxicant of any kind.										
(d) Unlawfully offered or arranged or negotiated to sell any controlled substance, an alcoholic beverage, or intoxicant of any kind, and then sold, delivered or otherwise furnished to any person another liquid substance, or material and represented the liquid, substance or material as a controlled substance, alcoholic beverage, or intoxicant.										
(e) Committed or attempted to commit robbery or extortion.										
(f) Caused or attempted to cause damage to school property or private property.					1					
(g) Stole or attempted to steal school property or private property.						2				
(h) Possessed or used tobacco.										
(i) Committed an obscene act or engaged in habitual profanity or vulgarity.	1	2		2	4	1	1		3	2
(j) Unlawfully offered, arranged or negotiated to sell any drug paraphernalia.										
(k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, or other school personnel engaged in the performance of their duties.		1	1	5		9	5	13	8	9
(l) Knowingly received stolen school property or private property.										
(m) Possessed an imitation firearm.										
(n) Committed or attempted to commit a sexual assault or committed a sexual battery.										
(o) Harassed, threatened, or intimidated a pupil who is a complaining witness or witness in a school disciplinary proceeding for the purpose of either preventing that pupil from being a witness, or retaliating against that pupil for being a witness, or both.										
(r) Engaged in an act of bullying, including bullying committed through electronic means.										
(48900.2) Sexual Harassment (Excluding grades K-3, inclusive)										
(48900.3) Causing, threatening to cause or participating in an act of hate violence. (Excluding grades K-3, inclusive)										
(48900.4) Intentionally engaged in harassment, threats, or intimidation, directed against a pupil or group of pupils, that is sufficiently severe or pervasive to have the actual and reasonably expected effect of materially disrupting class work, creating substantial disorder, and invading the rights of that pupil or group of pupils by creating an intimidating or hostile education environment. (A pupil or pupils enrolled in any of grades 4-12, inclusive.)										
.7 Made terroristic threats against school officials or school property.										
Total Number of Incidents	1	6	3	11	6	18	13	15	14	11

**PALERMO UNION SCHOOL DISTRICT
DISTRICT-WIDE DISCIPLINE REPORT:**

Number of Days Suspended	TK	K	1	2	3	4	5	6	7	8
1 Day								1	5	
2 Days						1			1	
3 Days										
4 Days										
5 Days										
Total Days	0	0	0	0	0	0	0	0	0	0
Superintendent/Designee Alternative to Suspension/Expulsion # of Students (extensions beyond 5 days)										

SUMMARY OF BUS VIOLATIONS

	TK	K	1	2	3	4	5	6	7	8
FIRST VIOLATION: Warning by Principal, notification of parent.				3	1				1	
SECOND VIOLATION: Student will not be permitted on ANY bus for five (5) school days, and until the parents and student have had a conference with the Principal.	1							1		
THIRD VIOLATION: Exclusion from riding ANY bus for the remainder of the school year unless reinstated by the Principal.										
FOURTH VIOLATION: Exclusion from riding ANY bus for ANY reason. (Minimum exclusion shall be until the last day of the trimester following the trimester in which the exclusion occurred.)										
TOTAL	1	0	0	3	1	0	0	1	1	0

Palermo Union Elementary School District

Transportation Services Plan

March 2026

Per Education Code (EC) Section 39800.1, as a condition of receiving apportionments for Transportation Services (under EC Section 41850.1), a local educational agency shall develop a plan describing the transportation services. The plan shall be presented and adopted by the governing board of the local educational agency on or before APRIL 1, 2023 in an open meeting with the opportunity for in-person and remote public comment. The plan may provide for the local educational agency to partner with a municipally owned transit system to provide service pursuant to this section to middle school and high school pupils. Nothing in a local educational agency's plan shall preclude a local educational agency from providing no-cost transit passes to pupils.

Describe the district's plan of the transportation services it will offer to pupils, and how it will prioritize transportation services for pupils in transitional kindergarten, kindergarten, and any of grades 1 to 6, inclusive and pupils who are low income.

PUESD offers home to school transportation to all students in TK - 8th grade who reside within the district's attendance boundaries and outside of the walking distance of at least 1 mile from their assigned school. The superintendent or designee may authorize transportation within the 1 mile walking distance due to safety concerns or hazardous conditions.

Bus routes are reviewed and revised on a yearly basis to meet the needs of students and families within our attendance boundaries. Routes are posted at each school site and are available to parents and guardians.

PUESD currently assigns employees to ride the afternoon bus routes in order to facilitate the safe and efficient transportation of students. In addition, the district also utilizes the Zonar System to manage and monitor student transportation.

Describe the district's transportation services that would be accessible to pupils with disabilities, and homeless children and youth.

Pupils with Disabilities: If a student with disabilities is unable to access the regular home to school transportation, the district will develop a transportation plan that meets the needs of the student. The following will be taken into consideration when authorizing specialized transportation: the student's safety and health needs, the extent to which transportation arrangements may help the student develop independent mobility skills, and the student's difficulty in utilizing regular transportation services. The district utilizes passenger vans and/or wheelchair accessible buses to transport students when their disability limits or impedes their ability to access and safely ride the large passenger buses.

Homeless Children and Youth: Homeless students and youth are eligible to access regular home to school transportation services if the student resides within the district attendance boundaries.

In cases where a student becomes homeless and is now sheltered outside the district attendance boundaries, a transportation plan will be developed that allows for the student to continue attending the same school in our district. Transportation may be achieved by working cooperatively with the school district where the student is currently sheltered or with an outside agency as required by the McKinney-Vento Homeless Assistance Act.

In the event that a student enrolled in another school district becomes homeless and is sheltered within the PUESD attendance boundaries, our transportation department will work cooperatively with the district where the student is

enrolled to facilitate the ability of that student to remain in their school district of enrollment as required by the McKinney-Vento Homeless Assistance Act.

Describe how unduplicated pupils would be able to access available home-to-school transportation at no cost to the pupils.

PUESD offers free home to school transportation to all students in TK - 8th grade who reside within the district's attendance boundaries and outside of the walking distance of at least 1 mile from their assigned school.

Required consultation with classified staff, teachers, school administrators, regional local transit authorities, local air pollution control districts and air quality management districts, parents, pupils, and other stakeholders.

Stakeholder Group	Type of consultation; date
Classified Staff	Meeting; March 16, 2023
Certificated Staff	Meeting; March 16, 2023
Administrators	Meeting; March 16, 2023
Parents	Meeting; March 16, 2023
Butte County Air Quality Management	Meeting; February 8, 2023; February 28, 2024
Butte County Regional Transit	Meeting; February 8, 2023; February 28, 2024

Transportation Services Allowance Calculations

Total 2024-2025 Transportation Expenses (Function 3600)	\$889,939
Less Capital Outlay (Object 6500, Function 3600)	\$243,983
Less Non Agency Expenditures (Goal 7110, 7150, Function 3600)	\$645,956
Estimated 60% Reimbursement	\$387,574
Less 2024-2025 Transportation Add-on from LCFF	\$266,794
TOTAL HTS Transportation Reimbursement	\$120,780

Expenditures and Other Financing Uses

2000-2999: Classified Salaries	\$396,438
3000-3999: Employee Benefits	\$177,850

4000-4999: Books and Supplies	\$62,476
5000-5999: Services and Other Operating Expenditures	\$9,192
6000-6999: Capital Outlay	\$243,983
7000-7999: Other Outgo	\$0
Total Expenditures	\$889,939

PUESD Board Approval Date: March 22, 2023
(On or before April 1st each year)

PUESD Board Review Date: March 25, 2026

Resources

California Education Code (EC) Section 39800.1: [EC Section 39800.1](#)

California Education Code (EC) Section 41850.1: [EC Section 41850.1](#)

Home to School Transportation Reimbursement FAQs: [Home-to-School Transportation Reimbursement](#)

PUESD Board Policy 3540: Transportation

PUESD Administrative Policy 3540: Transportation

PUESD Administrative Policy 3541: Transportation Routes and Services

PUESD Board Policy 3541.2: Transportation for Students with Disabilities

PUESD Administrative Regulation 3541.2: Transportation for Students with Disabilities



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Resolution No. 26-06

Resolution on Board Compensation for Missed Meetings

On the Motion of Member _____, Seconded by Member _____, the following resolution is adopted:

WHEREAS, the Governing Board of the Palermo Union Elementary School District appreciates the services provided by members of the Board and provides compensation for meeting attendance in accordance with Education Code 35120 and Board Bylaw 9250; and

WHEREAS, Education Code 35120 provides that the monthly compensation provided to Board Members shall commensurate with the percentage of meetings attended during the month unless otherwise authorized by Board Resolution; and

WHEREAS, Education Code 35120 specifies limited circumstances under which the Board is authorized to compensate a Board Member for meetings he/she missed; and

WHEREAS, the Board finds that Justin Younger did not attend the Board Meeting on March 11, 2026, for the following reason:

- Performance of other designated duties for the District during the time of the meeting.
- Illness or jury duty.
- Hardship deemed acceptable by the Board.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby authorizes full compensation of the Board Member for the Month of January 2026 in accordance with Education Code 35120 and Board Bylaw 9250.

PASSED AND ADOPTED by the Governing Board of the Palermo Union Elementary School District of Butte County, in the State of California, on March 25, 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

I, Gary Rogers, Secretary of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

Secretary of the Governing Board