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March 15, 2021

North Slope Borough School District
829 Aivik Street
Utqiagvik, Alaska 99723

Attention: Qaiyaan Harcharek, Board President

Ladies and Gentlemen:

This letter amends our engagement letter dated May 19, 2020, confirming our understanding to provide professional audit services to North Slope Borough School District (the School District) by substituting the attached Appendix I for the Appendix I originally attached to our engagement letter and amending its terms as noted below.

Other Matters

In an effort to facilitate efficient communication between KPMG and the School District related to the audit and to track engagement progress during the course of the engagement, KPMG may provide the School District with access to certain online tools. If such access is provided to the School District, the School District shall be responsible for: (i) its users' access and use of such tools (including the information its users may upload to such tools and compliance with all laws and regulations applicable to use or access by the School District's users outside of the United States (e.g. export control and data privacy laws and regulations)), and (ii) protecting the security of the account credentials in its possession for each user including timely informing KPMG when the School District individuals' access should be removed. The School District acknowledges that it shall not provide third parties (agents or contractors) with access to such tools without KPMG's written consent, use such tools as a system of record, nor use such tools other than for purposes of the audit engagement. The KPMG online tools include technology licensed from Microsoft, and the Plan's use of such Microsoft technology is subject to the Microsoft End-User Terms available at http://www.kpmginfo.com/NDPPS/media/docs/144210-1A_NAS_MicrosoftEnd-UserTerms.pdf.

The School District agrees that KPMG may list the School District as a client in KPMG's internal and external marketing materials, including KPMG websites and social media, indicating the general services rendered (e.g., "the School District is an Audit client of KPMG LLP").

The parties agree that the disclosure in the engagement letter referencing "back-office administrative and clerical services" is revised to reference "back-office administrative and clerical, or analytical services."

Except for the sentence contained in the "Other Matters" section of the engagement letter regarding KPMG Firms utilizing, in their discretion, the services of third party service providers within or outside of the United States to complete the services under the engagement letter, all other references to "KPMG Firms" contained in the engagement letter are replaced by the term "KPMG Parties." The term "KPMG Parties" shall mean the KPMG Firms, together with the entities comprising KPMG International.

For purposes of clarification, the paragraph contained in the "Other Matters" section of the engagement letter which states that KPMG Parties and third party service providers may have access to your confidential information is revised to include the following and is subject to the representations and other protective provisions set forth in such paragraph: "In particular, KPMG's audit technologies, software productivity tools and certain technology infrastructure and, necessarily, your confidential information, may be hosted in cloud environments operated by KPMG Parties or such third party service providers. In addition, KPMG Parties may have access to certain of your information in respect to engagement acceptance and other professional responsibilities such as maintaining independence and performing conflict checks."



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The parties further agree that the provision contained in the engagement letter that addresses the use of the School District's information for other purposes shall be revised in its entirety to read as follows: "You also understand and agree that the KPMG Parties, with the assistance of third parties as outlined in the engagement letter, may use all the School District's information for other purposes consistent with our professional standards, such as improving the delivery or quality of audit and other services or technology to you and to other clients, thought leadership projects, to allow you and other clients to evaluate various business transactions and opportunities, and for use in presentations to you, other clients and non-clients. When your information is used outside of the KPMG Parties or such third parties assisting them as outlined in the engagement letter, the School District will not be identified as the source of the information."

It may be necessary or convenient for the School District to use KPMG-owned or -licensed software, software agents, scripts, technologies, tools or applications (collectively "KPMG Technology") designed to extract data from the School District's electronic books and records systems or other systems (collectively, "Systems"), in connection with the audit. the School District understands and agrees that it is solely responsible for following appropriate change management policies, processes and controls relating to use of such technology (including without limitation appropriate backup of the School District's information and Systems) (collectively, "Change Management Processes") before such KPMG Technology is utilized to extract data from the Systems. In the event the School District fails to use such Change Management Processes or if such Change Management Processes prove to be inadequate, the School District acknowledges that the Systems and/or KPMG Technology may not function as intended. In consideration of the foregoing, KPMG hereby grants the School District the right to use KPMG Technology solely to facilitate the School District's necessary or convenient provision of information to KPMG in connection with the audit, and this grant does not extend to any other purposes or use by third parties outside of your organization without our prior written approval, provided that third party contractors of the School District having a need to know in order to perform their services to the School District are permitted to use KPMG Technology to the extent necessary for such parties to perform such services, so long as the School District exercises the same level of care to protect such KPMG Technology and KPMG confidential information as it uses to protect its own confidential information, but in no event less than reasonable care. Other than as expressly permitted hereby, the School District agrees to keep KPMG Technology confidential, using no less than a reasonable standard of care to protect it from unauthorized disclosure or use, and to notify KPMG of any legal compulsions to disclose it, in accordance with the provisions governing legal demand of confidential information which appear in the engagement letter with respect to which the KPMG Technology is being used, mutatis mutandis. If the KPMG Technology is subject to any third party license terms and conditions before being provided to the School District, the School District may be required to accept such terms and conditions before using the KPMG Technology, in which case KPMG will provide such license terms and conditions to the School District in writing before the School District elects to use the KPMG Technology.

For the purpose of complying with the AICPA Code of Professional Conduct, the School District agrees to provide to KPMG, at least annually, a complete and accurate legal entity listing and a listing of other affiliated entities not included on the legal entity listing (e.g., parent company, entities under common control, joint ventures, equity method investments, and others). the School District further agrees to provide a listing of the School District's officers, directors, and individuals owning 10% or more of the School District's outstanding voting equity securities or other ownership interests. the School District also agrees to provide information to KPMG about acquisitions, investments or other transactions that may result in changes to the legal entity listing or the listing of other affiliated entities, not included on the legal entity listing, prior to the effective date of the acquisition, investment or other transaction.



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The attached Appendix I lists the services to be rendered and related fees to provide each specified service for the identified time period. Except as specified in this letter and in the Appendix I attached to this letter, all provisions of the aforementioned engagement letter remain in effect until either those charged with governance or we terminate this agreement or mutually agree to the modification of its terms.

* * * * *

We shall be pleased to discuss this letter with you at any time. For your convenience in confirming these arrangements, we enclose a copy of this letter. Please sign in the space provided and return the copy to us.

Very truly yours,

KPMG LLP

Christine Krysinski
Managing Director

Enclosure

ACCEPTED

North Slope Borough School District

Authorized Signature

Title

Date

Reports, Services and Associated Fees

Based upon our discussions with and representations of management, our fees for services we will perform are estimated as follows:

Audit of financial statements and related notes to the financial statements of the School District as of and for the year ended June 30, 2021

Federal Single audit for the year ended June 30, 2021

State Single audit for the year ended June 30, 2021

Compliance reports

Audit Fees, including out of pocket expenses \$98,500

The above estimates are based on the level of experience of the individuals who will perform the services. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavor to notify you of any such circumstances as they are assessed.

We will progress bill the School District as follows:

<i>Progress bill to be mailed on</i>	<i>Amount to be billed</i>
<i>June 2021</i>	<i>\$25,000</i>
<i>July 2021</i>	<i>\$25,000</i>
<i>August 2021</i>	<i>\$25,000</i>
<i>September 2021</i>	<i>\$20,000</i>
<i>Upon Completion</i>	<i>Balance remaining plus expenses, If any</i>

Professional standards prohibit us from performing services for audit clients where the fee for such services is contingent, or has the appearance of being contingent, upon the results of such services.

Professional standards also indicate that independence may be impaired if fees for professional services are outstanding for an extended period of time; therefore, it is important that our fees be paid promptly when billed. If a situation arises in which it may appear that our independence would be questioned because of past due unpaid fees, we may be prohibited from issuing our audit report and associated consent, if applicable.

Where KPMG is reimbursed for expenses, it is KPMG's policy to bill clients the amount incurred at the time the good or service is purchased. If KPMG subsequently receives a volume rebate or other incentive payment from a vendor relating to such expenses, KPMG does not credit such payment to the client. Instead, KPMG applies such payments to reduce its overhead costs, which costs are taken into account in determining KPMG's standard billing rates and certain transaction charges which may be charged to clients.

All fees, charges and other amounts payable to KPMG under the engagement letter do not include any sales, use, excise, value added, income or other applicable taxes, tariffs or duties, payment of which shall be the School District's sole responsibility, excluding any applicable taxes based on KPMG's net income or taxes arising from the employment or independent contractor relationship between KPMG and its personnel.