



October 13, 2026

Toni Hernandez, District Manager
Merced Cemetery District
1300 B Street
Merced, California 95341

This letter confirms the engagement of Price Paige & Company by Merced Cemetery District (the District) for professional advisory services as described below:

1) **Annual Audit Preparation**

We will assist the District with the year-end close of its financial records for the fiscal year ending June 30, 2026. Our services will include:

- Preparing audit schedules and other reconciliations of balance sheet and income statement account balances, as deemed necessary, in preparation for the financial statement audit;
- Preparing and providing all closing adjusting journal entries necessary to ensure that the trial balance is complete and accurately stated in accordance with generally accepted accounting principles;
- Preparing the year-end financial statements; and
- Serving as the primary liaison with the District's external auditor throughout the duration of the audit.

2) **Ongoing Monthly Services**

We will assist the District with the following ongoing monthly services:

Bank Reconciliations – We will assist the District with the preparation of bank reconciliations for the period from July 2026 through June 2027. Upon completion of each reconciliation, we will provide the District with:

- The completed bank reconciliations and related supporting documentation;
- Any journal entries necessary to reconcile the adjusted bank balances with the District's trial balance; and
- Work with the District's staff to confirm that, following the recording of any journal entries we provide, the trial balance accurately reflects the correct cash balances.

The District will be responsible for:

- Researching any unrecorded or incorrectly recorded bank activity identified during our preparation and determining the appropriate account to record each item; and

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- Ensuring that no adjustments are subsequently recorded to cash accounts for reconciled periods other than the journal entries we provide at the conclusion of each reconciliation.

The monthly fee for this service is \$750.

Preneed Liability and Cemetery Contract Revenue Reconciliation – For the period from July 2026 through June 2027, we will:

- Prepare a monthly reconciliation of the District's preneed liability balance and a schedule classifying cemetery contract revenue;
- Provide the District and Merced County with the journal entries necessary to keep the District's accounting records current and accurate; and
- Maintain an ongoing database of all open cemetery service contracts.

The District will be responsible for:

- Maintaining all cemetery service contracts on site and providing each contract to our team for inclusion in the schedule. We are not responsible for contracts that are lost or not provided to us.

The monthly fee for this service is \$1,000.

3) **Annual Reports of Financial Transactions**

We will assist the District with the preparation of its annual reports of financial transactions for the fiscal year ended June 30, 2026. The following reports will be prepared:

- Special Districts Financial Transactions Report

4) **Additional Advisory Services**

By the end of this agreement, we will provide the District with professional consultation as agreed upon with management. Out-of-scope services not specifically described in this engagement letter will also be considered additional advisory services under this section. These services will generally consist of substantial one-time projects that would not be considered normal within our monthly ongoing consulting services. All additional advisory services will be billed hourly at our standard hourly rates, up to the amount agreed upon with management. The scope, timing, and extent of each consultation will be discussed with management prior to the commencement of any work.

Audit Support

In addition to the services described above, we will provide support to the District's auditors as it pertains to the services we perform under this engagement. Our role will be limited to explaining the work we performed and the basis for our conclusions.

Management Responsibilities

Management will be responsible for:

- Ensuring the District's staff provides all agreed-upon documentation in a timely manner to facilitate these services; and
- Accepting ultimate responsibility for the financial reports and related representations.

All workpapers or other documents used by us during this engagement will be maintained in segregated files, and such originals and all copies will be returned to you upon the completion of our engagement.

Use of Artificial Intelligence Tools

In performing our services, we may use artificial intelligence (AI) tools, including generative AI applications, to assist with tasks such as data analysis, reconciliations, drafting, and document review. We use only AI tools licensed by our firm under business-grade agreements that prohibit the provider from using your data to train its models and that include confidentiality and data-security protections consistent with those described under Electronic Data Communication and Storage and Use of Third-Party Service Provider. AI tools support, but do not replace, the professional judgment of our personnel. All work product prepared with the assistance of AI is reviewed by qualified Price Paige & Company personnel, and we remain fully responsible for the services and deliverables provided under this engagement. If you prefer that we not use AI tools on your engagement, please notify us in writing, and we will discuss any effect on timing and fees.

Electronic Data Communication and Storage and Use of Third-Party Service Provider

In the interest of facilitating our services to the District, we may communicate by facsimile transmission, send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to the District may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation and document management software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors, and consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees and Other

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.

It is our policy to keep records related to this engagement for a minimum of seven years after the report release date.

Suralink is used solely as a method of exchanging information and is not intended to store the District's information. Upon completion of the engagement, data and other content will be removed from Suralink in accordance with Price Paige & Company's policy.

Our fees for the professional advisory services to assist the District as described above are as follows:

Audit Preparation Services, as listed in item 1	\$ 27,500
Ongoing Monthly Services, as listed in item 2*	21,000
Annual Reports of Financial Transactions, as listed in item 3	<u>1,500</u>
Total Fixed Fees	50,000
 Additional Advisory Services, as listed in item 4 (hourly, not to exceed)	 <u>10,000</u>
Total Maximum Out-of-Pocket Fees	\$ <u>60,000</u>

* Ongoing Monthly Services are billed at \$1,750 per month for July 2026 through June 2027.

Fees for services billed on an hourly basis are based on the time required to perform the services at our standard hourly rates, plus out-of-pocket expenses. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your advisory engagement. These rates are reviewed annually and adjusted effective August 1 of each year. Adjustments are based on factors including, but not limited to, market conditions, compensation and staffing costs, and operating costs, and are not tied to the Consumer Price Index or any other published index. Revised rates apply to all hourly services performed on or after the effective date.

Any fee estimate we provide is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered. If significant additional time becomes necessary, we will discuss it with you before incurring additional costs.

We will issue a monthly billing statement for services performed and expenses incurred during that month. Payment is due upon receipt of each statement.

If any dispute pertaining to our work product arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

All work will be suspended if your account becomes 90 days past due. No work will be resumed until your account is fully paid. You acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services. Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

If information becomes known that would make our continued involvement in this engagement inappropriate, or parties involved change, we reserve the right to withdraw from this engagement. In addition, we will refuse to perform any requested act that we deem a violation of law, public policy, or our professional ethical standards, and may, as a result, withdraw from the engagement without penalty.

In no event will our firm be liable for incidental or consequential damages resulting from our performance on this engagement, even if we have been advised of the possibility of such damages.

Non-Solicit Clause

We value every one of our clients as well as every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you do not solicit our employees

to work for you. If you do hire one of our employees within 2 years of when they last worked for Price Paige & Company, we will be due a finder's fee equal to 50% of the annual salary they were earning as of their last day of employment. Payment will be due within 10 days of your receipt of our invoice.

If these terms are in accordance with your understanding and meet with your approval, please return a signed copy via email or regular mail at your earliest convenience. This agreement will become effective when you return the signed copy to us.

If the need for additional services arises, our agreement with you will need to be revised. It is customary for us to describe these revisions in an addendum to this letter.

Sincerely,



Joshua Giosa, CPA
Price Paige & Company

RESPONSE:

This letter correctly sets forth the understanding of Merced Cemetery District, California.

<i>Management Signature</i>	<i>Title</i>	<i>Date</i>
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