



RE: RFP 54/64733-00-073

**Proposal for
School Facility Program Audit Services
Ocean Charter School
Los Angeles, California**

Submitted on October 29, 2020 by:

Christy White, CPA, CFE
President

Corporate Office

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***Greater Los Angeles Area Office
Assigned to Serve Ocean Charter***



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

October 29, 2020

Stephanie Edwards, OCS Director
Ocean Charter School
12870 Panama Street
Los Angeles, CA 90066

RE: RFP 54/64733-00-073

Dear Ms. Edwards,

Christy White, Inc. (CW), a professional corporation, is pleased to respond to your request for proposal for Ocean Charter School's (the "Charter's") performance audit required in Education Code Section 41024 for a LEA agency that receives any funds (commencing April 1, 2017) pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1 of the Education Code) for Application Number 54/64733-00-073. In this proposal, we believe that you will find that our firm is not only highly qualified to perform the performance audit for Ocean Charter School but is prepared to do what it takes to provide the extra level of service required to maintain a long-term business relationship.

We **specialize in auditing California school districts for 20 years**, including Kern High School District (40,000 pupils), Garden Grove USD (50,000 pupils), and Alhambra USD (16,500 pupils). In 2018-19, we were providing services to over 160 Local Educational Agencies (LEA's). In addition to K-12 districts, we audit charter schools, Prop. 39 bonds and Prop. 51 state facilities grants, plus, should the need arise, we perform fraud and forensic audits.

As a leader in the K-12 industry, we provide K-12 audit focused staff training that is unmatched by other firms. We assure you that every Christy White team member will be trained and able to handle your audit efficiently and effectively. Moreover, we provide **free training and accounting advice** to our clients.

Our firm implemented a **"virtual office" setting** several years preceding the pandemic. With our technology, we are fully capable of conducting a remote audit by providing audit-related items via our secured online portal (Suralink). Your CW audit manager will help set up you and your staff. The portal is very user-friendly and secure.

CW leads the K-12 audit profession by active participation on the State Controller's *Audit Guide Task Force*, annually presenting to school district audit professionals at CalCPA's *School District Conference*, teaching new CBO's at CASBO and ACSA academies, and speaking before county offices and districts on implementation know-how for new GASB standards.

Founding partner, Christy White, has 33 years of school audit and consulting experience and is joined by Partners Heather Daud Rubio, Michael Ash, and John Whitehouse, plus seven director-level managers, and experienced in-charges auditors and staff. Our team is committed to meeting all requirements and timelines for the successful completion of the engagement.

Christy White, Inc. (CW) believes the purpose of a quality audit is to provide management with feedback on the effectiveness of the internal control structure, including the data processing systems. We will report all reportable conditions and discuss potential audit findings prior to the issuance of the audit report.

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PROPOSAL FOR SCHOOL FACILITY PROGRAM AUDIT SERVICES FOR OCEAN CHARTER SCHOOL

BACKGROUND AND RANGE OF ACTIVITIES OF CHRISTY WHITE, INC.

Christy White, Inc. (CW), a professional Accountancy corporation, is the 2nd largest CPA firm in the number of Local Educational Agencies (LEAs) audited annually. We are San Diego based with offices throughout the State. We provide a wide range of K-12 audit and consulting services, including financial and bond auditing; internal audit risk assessments; and, free consultation on GASB implementations.

CW is a member of the Private Companies Practice Section (PCPS) and Government Quality Control Center (GQCC) of the American Institute of CPAs, which requires an independent peer review every three years. Christy White, Inc. We received the best result of "Pass" in our most recent review.

We are members of the American Institute of CPAs (AICPA) and the California Society of CPAs. Also, we are association members with the California Association of School Business Officials, the Government Financial Officers' Association, and the Certified Fraud Examiner's Association. CW is also an active participant in the development of the annual K-12 audit guide and dialogues regularly with State agencies on audit issues that affect our clients.

The activities performed from the office from which the work will be done (Greater San Diego Area) include auditing, accounting, tax and consulting services.



ASSURANCES ON ABILITY TO PERFORM

Neither CW nor our predecessor firm NNW, have defaulted on a contract or experienced fiscal issues, including bankruptcy and receivership. NNW was legally dissolved in 2010 due to partial change in ownership. Christy White, President of CW was the founding partner of both CW and NNW. CW was recognized as the "AICPA successor firm" to NNW. CW has established a track record of the highest quality control results and performance for over 19 years.

CW envisions no problems in performing the scope of work and meeting all deadlines. Approximately 90% of our revenues are derived from school district audits. We have 4 dedicated and trained partners and 25 staff.

FIRM LICENSE, AFFILIATIONS AND ASSOCIATIONS

CW is a member of the Private Companies Practice Section (PCPS) and Government Quality Control Center (GQCC) of the American Institute of CPAs, which requires an independent peer review every three years. Christy White, Inc. is licensed with the California State Board of Accountancy (License #6499). We are members of the American Institute of CPAs (AICPA) and the California Society of CPAs.

In addition, we are association members with the California Association of School Business Officials, the Government Financial Officers' Association and the Certified Fraud Examiner's Association.

FIRM INDEPENDENCE

One of the benefits of an audit is having an "independent" assessment of your internal controls and compliance. Our quality control program ensures that we adhere to the strictest standards of auditor independence, including those required by the Standards for Audit of Governmental Organization, Programs, Activities and Functions, published by the United States General Accounting Office. We ensure that all firm partners and any staff working on the engagement do not have any financial or other interests in your organization other than a strictly professional one. Our continued success as your business partner depends upon our independence.

STATEMENT REGARDING THE STATUS OF ANY DISCIPLINARY ACTION AND ACCEPTANCE OF AUDIT REPORTS BY THE SCO

CW has a standing record of performing quality audits. Our clients and the State Controller's Office have accepted all of our audit reports. Additionally, we have not and are not involved in litigation, or any investigation by a state, federal or professional agency.

CW meets all specific requirements imposed by federal, state, and local laws, rules and regulations.

EQUAL OPPORTUNITY EMPLOYER

CW is an equal opportunity employer. We do not discriminate based on race, ethnicity, age or religion. We are in compliance with all applicable federal and state laws and regulations relating to equal opportunity employment.

INDEMNITY

CW has errors and omissions insurance and will indemnify and hold harmless the Charter from and against all losses and claims in the execution of our work or the consequences of any negligence or carelessness on our part. We are also fully insured with workers' compensation.

GENERAL AUDITING APPROACH

CW believes the key to a good audit is efficiency. This ensures that the audit is thorough without performing unnecessary procedures. By following the professional standards prescribed by *Generally Accepted Auditing Standards* (GAAS) and *Government Auditing Standards*, we are certain that we are meeting our own professional standards for the industry.

In addition, we will conduct the audit to meet procedures required of:

- K-12 Audit Guide – Appendix B – School Facility Program Bond Fund Audits, as published by the State Controller's Office
- *Government Auditing Standards*, including *Performance Audit Standards* for the SFP audit

RANGE OF ACTIVITIES

CW was established in 2010, having previously operated for 10 years as the San Diego Office of the former firm of Nigro Nigro & White, PC. CW has a blend of audit and consulting experience, and with Christy White's abundance of consulting know-how from past audit experience, makes CW's experience hard to match. CW has 25 auditors, 8 CPAs and administrative support. CW anticipates adding more auditors as our practice continues to grow. We are proud to offer our services to all public agencies.

The management and staff of CW all have a solid foundation in governmental finance including years of experience in governmental agency audits, hands-on business management, and consulting assignments with governmental agencies across California. In particular, it is the technical strength of our managers and their direct personal involvement in all aspects of the engagement that sets CW apart from other CPA firms.

CW specializes in local government audits and we are listed in the California State Controller's Office CPA Directory. Annually, we audit over 115 school districts, 7 county offices of education, 90 Proposition 39 bonds, 11 other governmental agencies, and over 40 charter schools. Our audit clients range in size from very large governmental agencies to mid-size and small entities.

FIRM EXPERIENCE WITH SFP AUDITS

Since the passage of Proposition 51, CW has been instrumental in the process of developing Appendix B of the State Audit Guide which provides the procedures for which the SFP audits should follow. Our firm was one of a few external audit firms which assisted OPSC in the development of these procedures. As such, we are very familiar with the processes and procedures required from the client side as well as the State Audit Guide procedures. We currently have 42 SFP audits that are in process or completed.

Alhambra USD: Granda Elementary Playground	Martinez USD:Alhambra HS 50/61739-00-002
Alhambra USD: Repetto Elementary Playground	Martinez USD:Alhambra HS 50/61739-00-007
Buena Park: Gordon H. Beatty	Mendocino COE: 57/10231-00-001
Buena Park: Arthur F. Corey Elementary	Orland USD: Mill Street Elementary
Calistoga Elementary: 57/66241-00-003	Palos Verdes Peninsula USD:50/64865-00-006
Carlsbad USD: Hope Elementary	Palos Verdes Peninsula USD:57/64865-00-025
Colton USD: 57/67686-00-016	Pittsburg USD: MLK JR High 57/61788-00-009
Colton USD: 57/67686-00-017	Redondo Beach USD: Jefferson 57/75341-00-019
Colton USD: Bloomington HS 58/67686-00-001	Redondo Beach USD: Alta Vista 57/75341-00-020
Colton USD: 57/67686-00-011	Redondo Beach USD: Tulita 57/75341-00-021
Colton USD: 57/67686-00-012	Redondo Beach USD: Beryl 57/75341-00-022
Colton USD: 57/67686-00-013	Rincon Valley Union SD: Whited Elementary
Colton USD: 57/67686-00-014	Saddleback Valley USD: El Toro High School
Colton USD: 57/67686-00-015	San Marcos USD: San Elijo Elementary
Culver City USD:57/64444-00-009	San Marcos USD: San Marcos High (014)
Culver City USD:57/64444-00-010	San Marcos USD: San Marcos High (005)
Dunham Elementary: 57/70672-00-001	Santa Maria Joint USD: Santa Maria High
Escalon USD: 57/68502-00-002	Sylvan Union SD: Sherwood Elementary
Jefferson Elementary 57/68544-00-001	Wilmar Union SD:Wilson Elementary 57/71019-00-002
Lammersville USD:Altamont Elementary Construction	Windsor USD: Windsor High
Martinez USD:Alhambra HS 50/61739-00-008	Wright Elementary SD: Wright Charter

EXPERIENCE AUDITING COMPUTERIZED SYSTEMS

All of CW's partners and staff have experience in computerized financial systems. As part of every audit, CW evaluates the internal controls over key financial cycles and includes computer control procedures. We work with clients on conversion issues and have worked on a variety of systems. As an example, Michael Ash and Sarah Palafox audit the Napa County Office of Education and 4 school districts in Napa County. The County Office of Education has chosen to give us read-only access to the Digital Schools general ledger software. Because of this access, we are able to conduct a portion of the audit remotely and run general ledger reports and pull supporting documentation for items selected for testing. This makes the audits run more efficiently and greatly reduces the stress on client staff.

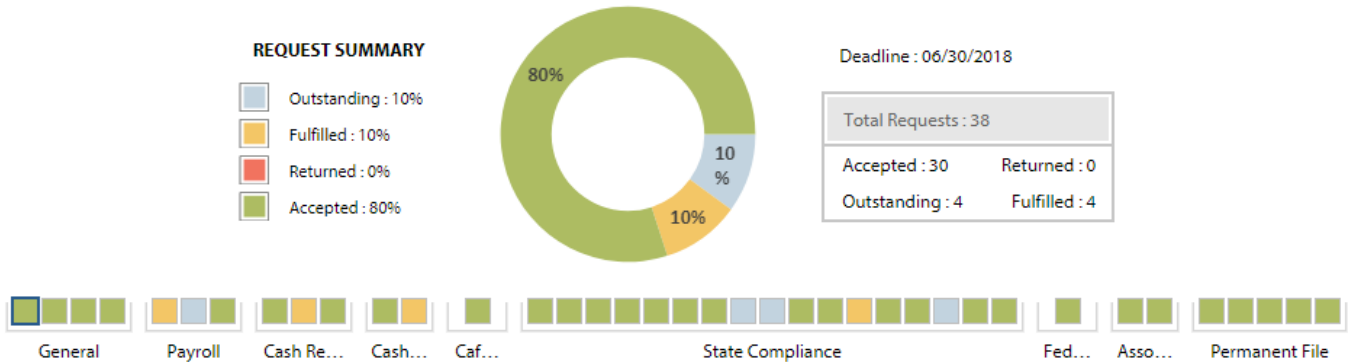
Our partners are also experienced using state software, including SACS software. We have consulted with school districts in the use of SACS software for the preparation of GASB 34 conversion entries and reports.

The audit software we use is ProSystems FX, a paperless audit software that all audit staff are trained on and use for each engagement.

SECURED PORTAL TO UPLOAD YOUR RECORDS WITH EASE

Christy White, Inc. uses a secure portal for seamless document-request coordination. Using the portal means all our requests are in one place, accessible by everyone assigned, and updated in real-time. Some of the key elements are summarized below:

- **Portal Dashboard:** The dashboard provides a real-time snapshot of the audit progress by indicating the number of outstanding, fulfilled, returned, and accepted items in a color-coded and easy to understand interface
- **Security:** Our portal boasts state of the art security in which all data is stored and transferred with AES 256-bit encryption and servers are housed in SSAE16 Type II SOC1, SOC2 data centers with daily fail-safe backups
- **Drag and Drop Functionality:** To upload documents to the portal, drag and drop the file(s) from your computer to the requested item in the portal at which time the status will be automatically changed from outstanding to fulfilled
- **Email Notifications:** Receive summary email notifications based on your timing preference (ex. daily, weekly, morning, afternoon, etc.), which provides activity updates for the engagement (ex. when files are uploaded/downloaded, or the status of an item has been changed)



PROPOSAL FOR SCHOOL FACILITY PROGRAM AUDIT SERVICES FOR OCEAN CHARTER SCHOOL

AUDIT TIMELINE

CW is able to commence the performance audit as soon as the final expenditure report is submitted to the Office of Public School Construction, which is expected to be February 2021. We anticipate the audit to be completed no later than June 2021.

SCOPE OF THE AUDIT AND COST

The scope of auditing services provided includes the school facility program audit, including preliminary audit services of Ocean Charter School for the following projects:

<u>Project</u>	<u>Application No.</u>	<u>Cost*</u>
Ocean Charter School	54/64733-00-073	\$10,000

***If there are savings reported for the project, there will be an additional \$3,000 added to the cost for the required savings audit.**

The report of each performance audit performed shall contain:

- a.) The objectives, scope, and methodology of the audit
- b.) The audit results. Including findings, conclusion, and recommendations, as appropriate
- c.) A statement about the auditor's compliance with *Government Auditing Standards*
- d.) A summary of the views of responsible officials
- e.) If applicable, the nature of any confidential or sensitive information omitted

My partners and I have a great deal of interest and commitment to providing excellent auditing services to the Charter. You can expect that I would personally be overseeing the audits of your Charter, assisted by Marcy Kearney, CPA, Senior Director and Vanessa Pineda, Director. You will find that the level of partner and manager time afforded by CW is unmatched by other audit firms. Accompanying us on the audit will be experienced support staff.

CW is committed to meeting all requirements and timelines for the successful completion of the engagement. We accept all the terms and conditions of the Charter's Contract and insurance requirements. Our proposal represents a firm and irrevocable offer, good for ninety (90) days. CW has no conflict of interest with Ocean Charter School.

After reading through our proposal, if you have any questions, please feel free to contact me at 619-270-8222. I would be happy to meet with the Audit and Finance Committee and/or the Governing Board.

Sincerely,



Christy White, CPA. CFE
Partner

Enclosures: Insurance Certifications, Recent Peer Review Opinion Letter



**CAMICO MUTUAL INSURANCE COMPANY
DECLARATIONS**

ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

Policy Number: CAL108463-10

Effective Date: 08/01/2020 at 12:01 A.M. Standard time at the address shown below
Expiration Date: 08/01/2021 at 12:01 A.M. Standard time at the address shown below
Retroactive Date: 08/01/2010

Item 1 - Named Insured: Christy White Associates

Item 2 - Business Address: 348 Olive St

San Diego, CA 92103

Item 3 - Limits of Liability: \$1,000,000 Per Claim
\$3,000,000 Policy Aggregate

Item 4 - Deductibles: \$10,000 Per Claim Deductible

Item 5 - Total Premium: \$28,461

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

PL-1000-A	07/14	Accountants Professional Liability Insurance Policy
PL-2001-A (CA)	07/14	State Endorsement - California
PL-1007-A	07/14	Exclusion - Claims Following Insureds Suit for Fees
PL-1034-A	07/14	Excluded Entities
PL-1049-A	07/2014	Privacy and Client Network Damage Endorsement
PL-1052-A	06/18	100K Cyber CPA Endorsement
PL-1056-A	06/16	Multiple Claims and Related Acts, Errors and Omissions Amendment

PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.

CAMICO Mutual Insurance Company

Authorized Representative

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

June 27, 2017

To the Shareholders of Christy White Associates, Inc. and the Peer Review Committee of the California Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of Christy White Associates, Inc. (the firm) in effect for the year ended December 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.



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Grant Bennett Associates

A PROFESSIONAL CORPORATION

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Christy White Associates, Inc. in effect for the year ended December 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Christy White Associates, Inc has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
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Certified Public Accountants



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