

Create Opportunities

We promise to know you and help you.



October 26, 2020

Proposal to provide professional performance audit services to:

Ocean Charter School

Prepared by:
CliftonLarsonAllen LLP
2210 E. Route 66
Glendora, CA 91740

Derrick DeBruyne, CPA, CFE, Principal
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[CLAconnect.com](https://www.claconnect.com)

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING



CLA (CliftonLarsonAllen LLP)
2210 E. Route 66
Glendora, CA 91740
626-857-7300 | fax 626-857-7302
CLAconnect.com

October 26, 2020

Stephanie Edwards, Director
Ocean Charter School
12606 Culver Blvd.
Los Angeles, CA 90066

Dear Ms. Edwards:

We are very excited about the opportunity to propose our professional services to Ocean Charter School, (OCS). We believe CLA is uniquely qualified to understand the needs and challenges facing OCS now and into the future. The enclosed proposal responds to your request for performance audit services.

We are confident our proposal not only addresses your requirements in a professional services firm, but also demonstrates our strong capabilities in serving charter schools similar to that of OCS, developed during our more than 20 years of experience serving charter schools since their inception, as well as our more than 60-year history of working with nonprofit organizations.

Our reputation for credibility and success in the education community is powered by our dedication to understand the unique requirements of these audits and to know and appreciate your people. As team leaders we will work hard to make sure that each one of our members is knowledgeable, capable and consistently meets and exceeds your expectations. Our Certified Public Accountants and skilled audit professionals understand the complexities of your business transactions and your ever-increasing compliance requirements. We have awareness of emerging issues and legislation to help you resolve your most challenging audit and accounting issues. Responding quickly to your questions and concerns throughout the year, not just during the audit, is our top priority.

CLA is focused on delivering an exceptional level of knowledge, insight, and industry experience. As our clients' most trusted business advisor, we:

- Take a genuine interest in your opportunities and challenges.
- Proactively work with you to develop strategies based on a deep understanding of your business and industry.
- Address your organization's financial challenges through our national and local resources.
- Continually strive to better your organization, the nonprofit industry, the communities in which we work and live, the accounting profession, and ourselves.

We are eager to work with you and welcome the chance to present our proposal to the audit committee, board of directors, or entire management team. If you have any questions about our offerings, please do not hesitate to contact me via the information below.

Sincerely,

CliftonLarsonAllen LLP

Derrick DeBruyne, CPA, CFE, Principal
626-857-7300 | derrick.debruyne@CLAconnect.com



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Executive Summary

Why should Ocean Charter School choose CLA?

To be candid, we can probably agree that there are many firms that can provide performance audit services. So, undoubtedly one of the most critical questions you need to answer as part of this process is “why?” Why should OCS choose one firm over any other firms that could perform your compliance requirements?

Our combination of industry specialization, integrated approach, thought leadership, and enterprise excellence are the foundation that allows us to make a difference in our clients’ ability to meet their missions. It creates a noticeably different experience for the clients we serve – whether that service is an audit, tax return, consulting engagement, or any other service.



Fresh perspective

By engaging CLA, OCS will benefit from a fresh look at its business, systems, and processes.

Specialized industry practices

Our professionals are immersed in your field. Those selected to serve you are not just accounting practitioners; they have significant exposure, training, and knowledge working with charter schools. We strive to develop a two-way advisory relationship to provide assistance to you throughout the year, rather than just during the audit. Overall, we commit to providing OCS with experienced professionals.

Dedication to training on charter school-specific matters

We are dedicated to providing training, conferences, position papers, and other educational opportunities specifically related to charter schools. We identified a need to provide finance-related training to board members, management, and other key financial employees, and provide charter school specific learning.

Enterprise excellence

We have a goal of exceeding expectations. We call this “enterprise excellence,” which means looking for ways to improve the outcome and experience of our clients and demanding high quality in everything we do. The value to OCS will be to engage a firm that believes going above and beyond expectations is the appropriate level of accepted performance!

Understanding your needs

We can provide the following services:

- Closeout audit of State Proposition 1D facility project (performance audit) to be completed in compliance with the established timeline, including communication of audit results to management, the audit committee, and board of directors.
- Meetings with the audit committee and board of directors, as requested.
- Build a relationship with a firm with deep industry experience and capabilities that align with OCS’s mission.
- The capability to be a knowledgeable resource related to various industry, tax, compliance, and other matters.



- A tailored, integrated, and efficient approach to all services and deliverables, including audit and any special projects that may be requested.
- Consistent receipt of timely, professional work products.
- A consistent team of professionals with experience and high levels of principal and manager involvement.
- Proactive and communicative organization of the audit process to prevent a crisis at the last minute.

In summary, our greatest strength is our people who truly believe they can make a difference.

If OCS is looking for greater value from their performance audit services, then our dedicated industry professionals who are driven to impact the economic challenges of charter schools, and the future of charter schools makes CLA a top firm for OCS.

Innovation at CLA

Artificial intelligence, machine learning, cryptocurrencies, and other technologies are disrupting the way we all do business. Disruption creates the need for innovation; innovation is an opportunity to improve the way we do our work and interact with you. Our entrepreneurial culture requires us to embrace change wherever we find it, learn from it, and create solutions designed to make interactions easier, more transparent, and more seamless.

We use a combination of technical and non-technical means to improve efficiency, enhance quality, and make your experience better.

As your organization continues to innovate, we're doing the same by continually increasing our knowledge of you and understanding of your industry so we can help you address the business issues you face.



Innovation at CLA is a purposeful approach to problem-solving that transforms technology into better experiences for our clients.

The CLA Seamless Assurance Advantage

The CLA Seamless Assurance Advantage (SAA) is an innovative approach to auditing that utilizes leading technologies, analytics, and audit methods to help solve client problems and create a seamless experience.



A different approach

SAA is unlike any conventional audit process. SAA does not depend on physical location. It reduces the time our professionals spend on site, creates fewer disruptions, enables more efficient use of resources (yours and ours), and allows for more impactful interactions with your people.



Insights through analytics

CLA uses strategic data analysis to examine whole data sets to gain a deeper understanding of your organization. Insights that were once impossible can now come into focus to help you measure performance, enhance strategic decision making, and understand your competitive opportunities.



Effective technology

CLA embraces technologies that help solve client problems and create a seamless experience. Assurance Information Exchange (AIE) is a web-based application, developed by CLA, to digitally request and obtain audit documents through a secure and efficient online portal.

Firm Overview

Create opportunities

CLA exists to create opportunities for our clients, our people, and our communities through industry-focused wealth advisory, outsourcing, audit, tax, and consulting services.

More than

6,200

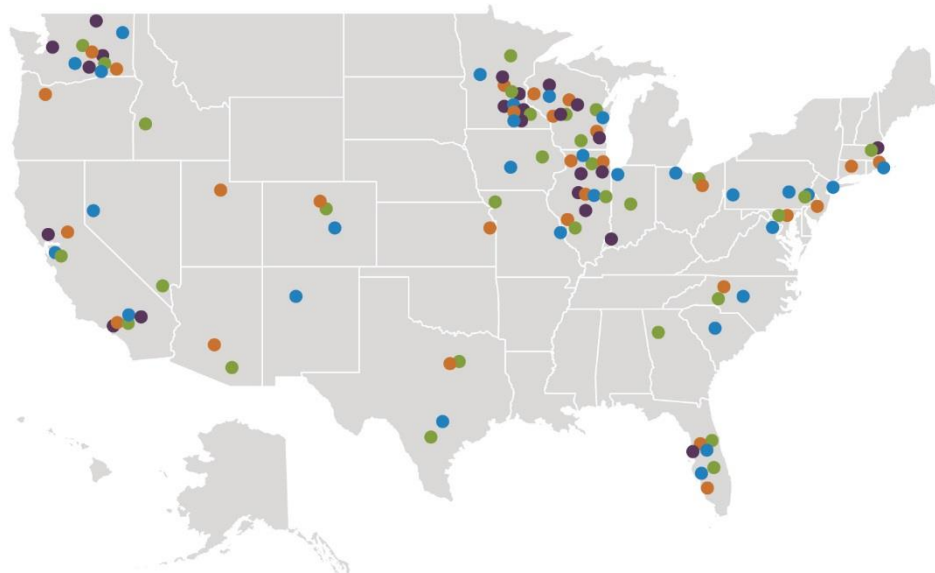
people



More than

120

U.S. locations



A

global



affiliation

We promise to know you and help you

With CLA by your side, you can find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and achieve more than you believed possible.

Service office location and contact information

OCS will be served from the Glendora, California office located at:

CliftonLarsonAllen LLP
2210 E. Route 66
Glendora, CA 91740
626-857-7300 | fax 626-857-7302



What makes us different?

You can depend on CLA for several uncommon advantages:

Deep industry specialization

Our people are industry practitioners first and foremost. You will work with professionals who know you, your organization, and your industry. We combine their knowledge with yours to make you stronger.



Seamless, integrated capabilities

We offer planning and guidance from startup through succession, with particular care for the people behind the enterprise. Your team connects with a broad network of resources behind the scenes to support you.

Premier resource for nonprofit organizations and their stakeholders

Nonprofit organizations enrich our communities. You are at the core of our strategic focus because supporting you means a better world for all of us.



Inspired careers

Your success is of paramount importance to our team members. You will work with entrepreneurial people who are constantly developing capabilities to help you meet any challenge you face.

Range of activities: CLA's Glendora, California office provides a full range of accounting and consulting services, including audit, tax preparation and planning, budgeting and analysis, revenue enhancement, interim controllers, internal control and fraud prevention, facilities planning and accounting, accounting software systems, and several other services to multiple industries, including charter schools.

CLA is different from other national professional service firms in its size and focus on serving nonprofit organizations and privately-held businesses and individuals first. Where other firms are aligned geographically, we align our professionals by the industries they choose to serve – it is their choice and their passion for an industry which drives that choice. For the OCS, this means dedicated charter school knowledge and resources and the high retention in engagement staffing that accrues from allowing our professionals to choose the industries they want to work with. Our focus on nonprofits across our firm provides you the depth and capacity to serve you.

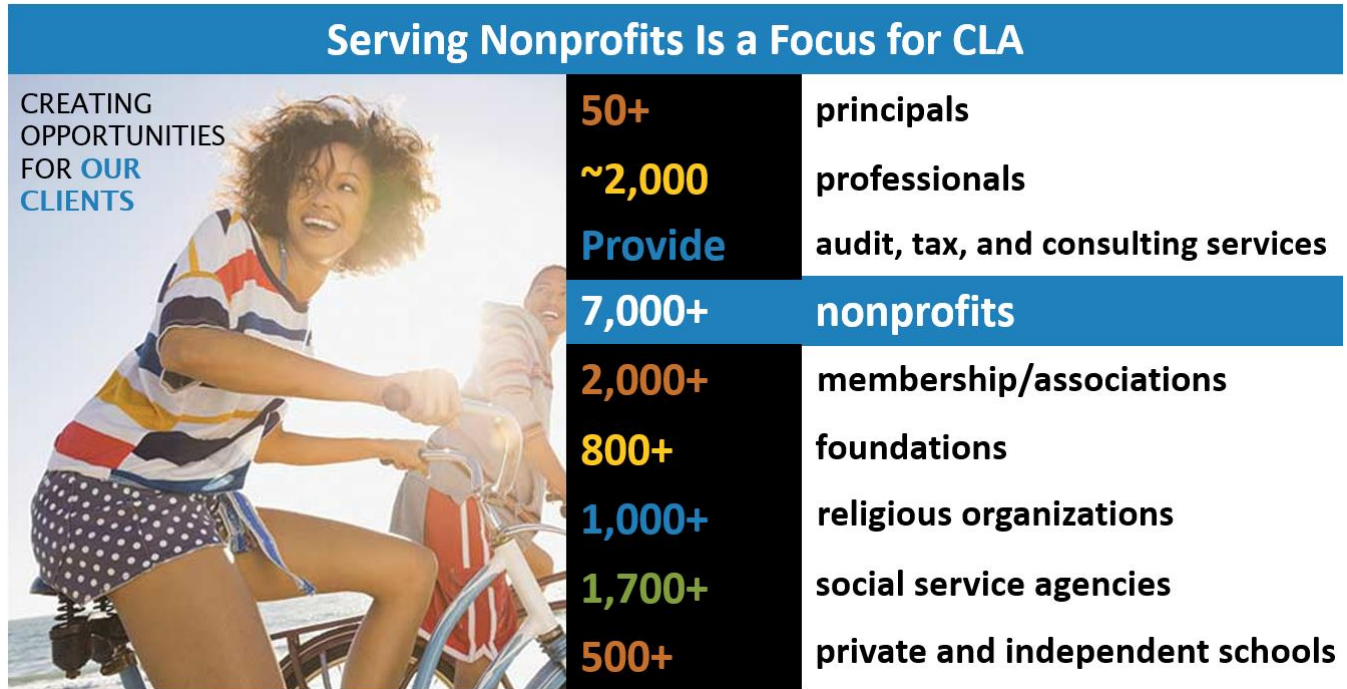
For more information about CLA, visit CLAconnect.com/aboutus.



Qualifications and Experience

Charter school and nonprofit experience

Charter schools are a dynamic, unique area of accounting and require constant attention and monitoring. Our knowledge of your industry is crucial to offering actionable strategies. As a firm with more than 60 years of experience, we possess an exhaustive understanding of your challenges and are able to respond promptly and effectively to help meet them. We are leaders in serving a large number of nonprofit organizations, including charter schools.



Nonprofit industry total number of clients include approximately 1,000 nonprofit organizations that are not categorized within the sub industries noted in the above graphic.

Nationwide, CLA serves more than 7,000 nonprofit organizations, with more than 500 private and independent schools, including in excess of 300 charter schools. These organizations have operating budgets ranging from less than \$1 million to more than \$300 million. These organizations’ assets range from \$1 million to more than \$4 billion; and our public pension plan and federal governments to more than \$1 trillion. Therefore, CLA has extensive experience providing audit, tax, and consulting services to nonprofits and charter schools of all sizes across the United States.

What's important to you

OCS will be served by CLA’s dedicated charter school group, a team focused on providing high-quality accounting, auditing, tax, and other services to charter schools like OCS. The ultimate goal is to reach a conclusion on the critical processes and develop an audit plan that supports the risks identified through this process.

Presence in the charter school industry

CLA’s Glendora, California office has built an excellent reputation as being committed to providing top quality audit, accounting, and consulting services to our charter school clients. We are experienced in the business of charter schools and currently audit more than 300 charter schools nationwide.



The following is a partial list of our current charter school clients:

Charter Management Organizations:

- ACE Charter Schools
- Alpha Public Schools
- Caliber Schools
- California Montessori Project
- California Online Public Schools
- Camino Nuevo Charter Academy
- City Charter School
- Education for Change
- Encore Education Corporation
- Envision Schools
- Grimmway Academy
- ICEF Public Schools
- iLEAD Schools
- Imagine Schools
- KIPP Bay Area Public Schools
- KIPP Memphis
- KIPP Minnesota
- KIPP New York
- KIPP Philadelphia
- Leadership Public Schools
- Los Angeles Leadership Academy
- Method Schools
- Navigator Public Schools
- Options for Youth
- Rocketship Education
- Rocky Mountain Preparatory Schools
- Summit Public Schools
- Synergy Academies
- Voices College-Bound Language Academy
- YPI Public Schools

Standalone Schools:

- ARISE High School
- Arts in Action Community Charter School
- Bayview Academy of Monterey
- Birmingham Community CHS
- Community Roots Academy
- Discovery Charter Prep School
- DesignTech High School
- El Sol Science and Arts Academy
- Gold Rush Home Study Charter
- Ivy Academia
- James Jordan Middle School
- Jefferson RISE
- Journey School
- Laureate Academy
- Natomas Charter School
- North Oakland Community Charter School
- Novato Charter School
- Oasis Charter Public School
- Orange County High School of Arts
- Shasta Secondary Home School
- Sophie B. Wright Charter School
- Summit Leadership Academy High Desert
- Sunrise Middle School
- Twin Rivers Charter School
- Urban Montessori
- Vincent Academy
- Westlake Charter School

CLA Glendora's 60-year history with K-12 school districts

CLA Glendora's history began over 60 years ago in a home-based office surrounded by orange groves in La Verne, California. From the beginning, we focused on local education agencies, believing that we had a way to give back to the education community in our region. After auditing and assisting more than 181 school districts, we have learned what it takes to stay sharp and objective on behalf of our clients:

- **Stay connected to decision makers** – Over the years, we have developed relationships with the State Controller's Office and the California Department of Education. In order to have a voice in developing compliance steps that are as cost efficient as possible, we have participated on the State Controller's K-12 Audit Guide Committee and have advocated for legislation that makes sense for education and for public accountability. We focus on the needs of the industry through our involvement as associate members of the California Association of School Business Officials, which includes our participation in professional councils and the School Districts Conference Planning Committee.



- **Continually develop an in-depth understanding of the industry** – Careful observation of the K-12 school district environment has led to an understanding of how important it is to monitor the dynamic changes to district finance and compliance. Through articles published in industry journals, proactive communication, and CLA-hosted training at education conferences or on the job with our clients, we help districts understand and apply best practices and stay in compliance. Just as important, we communicate with our clients on the effect of emerging areas of concern for district operations such as continuing disclosures, arbitrage, and Federal *Uniform Guidance*. Additionally, we attend industry related conferences and subscribe to School Services of California's *Fiscal Report*.
- **Monitoring on-going changes in accounting standards** – Committee regularly meets to discuss and disseminate information regarding accounting pronouncements, many of which affect our education clients. Principals monitor and research emerging GASBs, standards from other relevant boards, and state and federal legislation. The audit team provides communication, training, and compliance monitoring for your District. We recently conducted training for our clients on the important changes that impact federal funding resulting from the implementation of the Uniform Guidance.

Technical Experience

We have extensive experience in school district accounting, policies, procedures and facilities/construction management issues. We perform a wide variety of services for our clients, such as compilation and review, tax planning, financial, compliance and performance audits, revenue and efficiency enhancement, and fraud investigations. We have performed hundreds of audits for California school districts, community colleges, county offices, and JPAs, as well as a wide range of management services. To keep abreast of current changes in school district accounting requirements, we are a member of CASBO at the School District and Community College levels. Our staff regularly attends seminars conducted by School Services of California, the California Society of CPAs, the Chancellor's Office and CASBO. We are also a member of School Services of California that provides regular updates on key legislation affecting school districts and colleges. Because of our experience and training, we are very familiar with the business of school districts and community colleges and their accounting procedures. We have been involved in the development and conduct of many in-service programs and workshops covering varying school district issues. Through these practices, we have established a favorable reputation and have often provided guidance to the State Department of Education and State Controller's Office on various accounting and auditing issues.

Partial list of recent clients in Glendora office

Vicenti Legacy, now CLA has built an excellent reputation as a firm committed to providing top quality audit services. The following is a partial list of our recent clients that also include Proposition 39 audit clients.

- Brea Olinda Unified School District
- Briggs School District
- Burbank Unified School District
- California Advancing Pathways for Students
- Carmel Unified School District
- Glendale Unified School District
- Fullerton Joint Union High School District
- Huntington Beach High School District
- Long Beach Unified School District
- Mesa Union School District
- Moorpark Unified School District
- Mupu Elementary School District
- Paramount Unified School District
- Pasadena Unified School District
- Pleasant Valley School District
- Rialto Unified School District
- San Gabriel Unified School District
- San Marino Unified School District
- Santa Clara Elementary School District
- Somis Union School District
- The Webb Schools
- Ventura County School Business Authority
- Ventura Unified School District
- Whittier Union High School District



Audit risks and key issues for K-12 school districts

All levels of the CLA engagement team are regularly trained on all topics relevant to the audit and play a specific role in developing the audit report. In addition to required elements, CLA auditors pay close attention to typical areas of risk and provide support regarding key issues facing local education agencies.

Providing leadership in the education industry

K-12 school districts

CLA principals, directors, and managers serve on boards and task forces in prominent industry organizations (listed below). In these roles, we advocate for the needs of school districts and remain knowledgeable about significant changes pertinent to school business—knowledge we pass on to our clients.

To educate school business officials, we conduct seminars related to accounting, budgeting, cash management, fraud, and tax issues at conferences hosted by these and other organizations.

- California Education Foundation—School Districts Conference Committee
- The State Controller’s K-12 Audit Guide Committee
- California Association of School Business Officials (CASBO):
 - Financial Services Professional Council
- Community College Internal Auditors
- Business Officers of Southern California Community Colleges (BOSCCC)
- School Services of California
- California Society of CPAs Governmental Accounting Committee
- Western Association of College and University Business Officers

Charter schools

CLA actively supports industry education as a thought leader and industry speaker. Our firm focuses on supporting the educational needs of the industry through nationally sponsored trade events. Our team of charter school professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations.

Our assurance and advisory principals are national leaders on several standard-setting bodies. Several have assisted with the writing of the American Institute of Certified Public Accountants (AICPA) practice and audit guides specifically for nonprofit organizations, chaired technical boards, and lead state CPA organizations. Many of our professionals gather client thoughts and submit responses to the Financial Accounting Standards Board (FASB). As participants in these state and national standard-setting bodies, our professionals are on the cutting edge of new developments that affect you. Our work in these emerging areas gives you an advantage in planning ahead. A representative list of industry organizations and regulatory bodies that our charter school and nonprofit services team members are active in includes:

- American Institute of Certified Public Accountants
 - Auditing Standards Board
 - Board of Directors
 - Certified in Financial Forensic Credential Committee
 - Council and Nominating Committee, past member
 - Not-for-Profit Advisory Council
 - Not-for-Profit Entities Expert Panel
 - Not-for-Profit Financial Executive Forum
 - Employee Benefit Plan Audit Quality Center Executive Committee

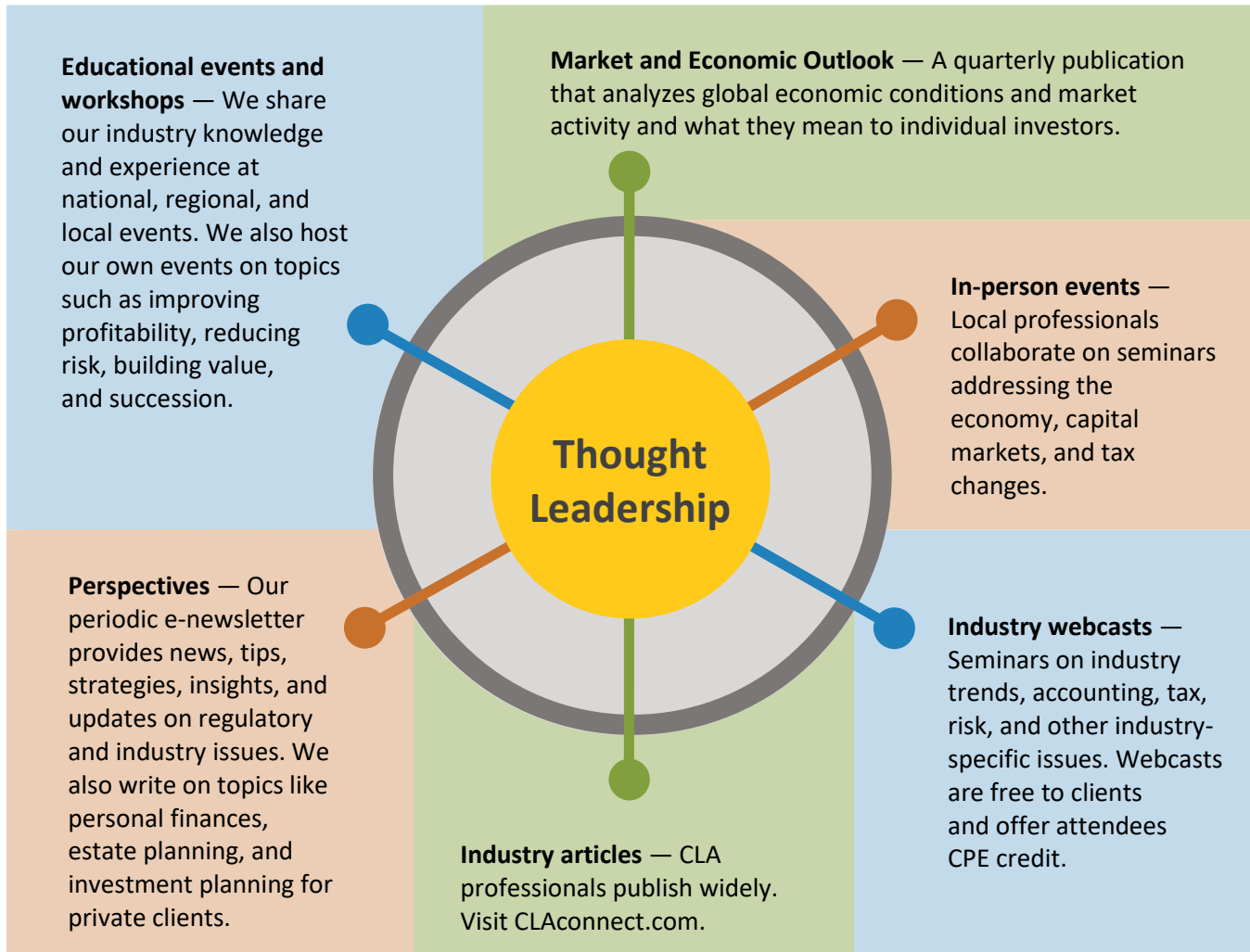


- Employee Benefit Plans Expert Panel
- Employee Benefits Tax Technical Resource Panel
- IRS Advocacy and Relations Committee
- National Peer Review Committee
- Peer Review Board
- Association of School Business Officials (ASBO)
- Association of California School Administrators (ACSA)
- California Charter Schools Association (CCSA)
- California Association of School Business Officials (CASBO)
- California School Boards Association (CSBA)
- Charter Schools Development Center
- Coalition for Adequate School Housing (C.A.S.H.)
- Center for Nonprofit Advancement (CNA)
- Exempt Organization Sub-Committee
- Financial Accounting Standards Board
 - Not-for-Profit Resource Group
- Humentum (formerly InsideNGO)
- Internal Revenue Service
 - Advisory Council on Tax Exempt and Governmental Entities (ACT)
 - Exempt Organization Sub-Committee
- National Alliance for Public Charter Schools
- National Association of Charter School Authorizers (NACSA)
- National Association of Professional Women
- State Government Accounting Committee
- The Center for Association Leadership (Center)
- Western Association of College and University Business Officers (WACUBO)



Thought leadership and industry information

CLA goes beyond the numbers and offers value-added solutions. Rest assured, you will hear from us throughout the year. We send periodic email publications and host webcasts to keep clients and friends of the firm informed of relevant industry updates. Below are just a few of the resources we offer. You can register for our webcasts and find our extensive resource library on our website, [CLAconnect.com](https://www.claconnect.com).



Knowledge of emerging developments

We take a very proactive approach related to new pronouncements. We routinely review pronouncements in the exposure draft stage to determine their effect on our clients. When indicated, we work with clients and other organizations to help develop responses. We review final pronouncements and discuss the impact of them with clients well in advance of the implementation of the pronouncements or changes in regulations.

Engagement Team

Roles and responsibilities

An experienced engagement team has been aligned to provide the most value to your organization. The team members have performed numerous engagements of this nature and will commit the resources necessary to provide top quality service throughout the engagement. Following are our proposed management team members:

The most important resource any business has is people — the right people.

Engagement Team	Role	Years of Experience
Derrick DeBruyne, CPA, CFE, Principal	Client and Engagement Principal	16+
Marlen Gomez, CPA, Director	Director	10+

Detailed biographies are available in the Appendix of this proposal.

Audit engagement principal

The engagement principal is your main contact throughout the audit engagement and is responsible for planning, supervising the audit staff, reviewing the work performed, and attending client and exit conferences. The engagement principal provides:

- Performance of more complicated audit procedures
- Work that is performed to your expectations
- A review of the key areas and reports
- Access to appropriate knowledge within the firm for you
- Prompt responses to all your requests for services
- Coordination of all services to OCS
- Your awareness of and access to our available services

Director

The director is responsible for the overall administration of the audit and will supervise assigned staff members. and is is responsible for the overall audit process, from planning to final report, and for making sure the work is performed to your satisfaction, needs, and timing. The in-charge will:

- Perform most of the detailed fieldwork
- Supervise and assist audit staff personnel who perform fieldwork
- Be on-site for the majority of the engagement
- Direct planning and execution efforts with regard to the audit
- Assist OCS' personnel with technical issues as they arise
- Conduct final reviews of management letters and reports with OCS' personnel

Additional staff

We will assign additional staff to your engagement based on your needs and their experience providing services to nonprofit organizations. We expect the staff that will be assigned to your team will be primarily from our Glendora office and will be personnel who have selected nonprofits as their industry focus at CLA.

All management team members assigned to your audit engagement team will hold a CPA designation. Additional staff will hold a minimum of a bachelor's degree from an accredited university, be a licensed CPA or CPA candidate and will be closely managed by one or more of the individuals listed above.



National nonprofit and foundation resources

You will have access to a number of additional national nonprofit resources if needed.

Firm independence

CLA is independent of OCS as required by auditing standards generally accepted in the United States and the U.S. Government Accountability Office's *Government Auditing Standards*. Our firm-wide quality control policies and procedures foster strict compliance with these professional standards. In addition, the individuals assigned to your audit are independent of OCS.

Firm licensing

CLA is duly licensed to practice public accountancy in the state of California and other states. A copy of our state license is provided below:

BOARD OF ACCOUNTANCY

LICENSING DETAILS FOR: 7083

NAME: CLIFTONLARSONALLEN LLP

LICENSE TYPE: CPA - PARTNERSHIPS

LICENSE STATUS: CLEAR

PREVIOUS NAMES: LARSONALLEN LLP ♦ LARSON, ALLEN, WEISHAIR & CO., LLP

ADDRESS

60 S MARKET STREET
SAN JOSE CA 95113
SANTA CLARA COUNTY

ISSUANCE DATE

JULY 27, 2006

EXPIRATION DATE

JULY 31, 2022

CURRENT DATE / TIME

JUNE 25, 2020
7:37:57 AM



References

To further demonstrate our qualifications and experience, we are providing the following references for your consideration. We recognize that quality of service, relevant experience, and depth of resources will be key factors as you prepare to select a firm to serve OCS' audit needs. We therefore encourage you to contact the following client references served by our proposed engagement team that include clients with similar services and complexity.

Summit Public Schools

Address	900 Island Drive, Suite 203, Redwood City, CA 94065
Contact Name and Title	Joyce Montgomery, CFO
Phone Email	650-223-4610 JMontgomery@summitps.org
Scope of Work	Audit of financial statements for the past fifteen years most recently the fiscal year ending 6/30/19, in accordance with FASB generally accepted auditing standards and Uniform Guidance.

KIPP Bay Area Schools

Address	1404 Franklin Street, Suite 500, Oakland, CA 94612
Contact Name and Title	Cory Harris, Director of Finance
Email	Cory.Harris@kippbayarea.org
Scope of Work	Audit of financial statements for the past sixteen years most recently the fiscal year ending 6/30/19. In addition a performance audit over Measure G1 funding from Oakland Unified School District for the fiscal year ending 6/30/19 in accordance with FASB generally accepted auditing standards and Uniform Guidance.

Los Angeles Leadership Academy

Address	2670 Griffin Avenue, Los Angeles, CA 90031
Contact Name and Title	Arina Goldring, Executive Director
Phone Email	213-381-8484 AGoldring@laleadership.org
Scope of Work	Audit of financial statements for the past fifteen years most recently the fiscal year ending 6/30/19, in accordance with FASB generally accepted auditing standards and Uniform Guidance.



Services Approach

Audit scope and opinion

We will conduct a performance audit for the closeout of OCS' State Proposition 1D construction project and will cover the start of the project through the final close out. Our tests will include an evaluation of internal controls as well as compliance over Proposition 1D proceeds and any other funds expended in accordance with the Proposition 1D construction project.

We will conduct our bond performance audit in accordance with performance audit standards established by *Government Auditing Standards* issued by the Comptroller General of the United States and in accordance with the *K-12 Audit Guide*. We will develop our work program for the performance audits based on the legal requirements of Proposition 1D and *K-12 Audit Guide Appendix B*, issued by the Education Audit Appeals Panel.

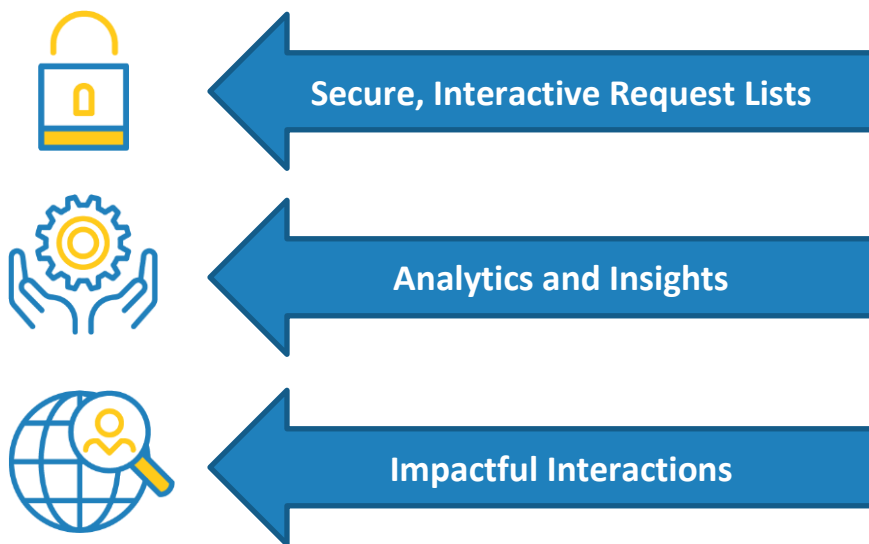
We will provide a written report regarding any findings and recommendations. We may also have other comments on matters we have observed and possible ways to improve the efficiency of your operations, or other recommendations concerning the internal control structure. We will present the results to the Governing Board of OCS if requested.

Our approach in this matter will be as follows:

1. We will review the nature and scope of the School Facility Program (SFP) projects completed with Proposition 1D proceeds and any funds used as a match to determine the appropriate sampling procedures.
2. We will test, on a sample basis, the construction costs and review for appropriateness to ensure that the funds have been expended on the specific projects approved.
3. We will analyze, summarize, and arrive at conclusions based on the information we obtain during the engagement.
4. We will test Compliance with applicable Education Code Sections regarding the school facility program.
5. We will provide a written report regarding any findings and recommendations.

Use of technology in the audit

We're reimagining the audit process through technology to elevate your experience!



Assurance Information Exchange (AIE) – To make working with CLA a seamless experience, our team utilizes a proprietary, secure web-based application to request and obtain documents necessary to complete client engagements. This application allows CLA and our clients to view a live client assistance letter clients, which provides detailed information, including due dates for all of the open items CLA is requesting. Additionally, clients have the ability to attach electronic files and add commentary related to the document requests directly on the application. Follow the link to view a brief tutorial of the [Assurance Information Exchange](#).

Microsoft® Teams – Our services approach focuses on impactful interactions. We’ve said goodbye to the days of setting up camp in our clients’ conference rooms for weeks on end. We know our clients have organizations to run, so our interactions have purpose. To assist with communications when we are not onsite, we utilize tools such as Microsoft Teams, which allow for two-way screen sharing and video. We’ve found this helps minimize disruptions in our clients’ environments while continuing to effectively communication with each other.

TeamMate Analytics and Expert Analyzer (TeamMate) – To analyze and understand large data sets, we use TeamMate Analytics and Expert Analyzer. We customize the application by industry in order to perform the most applicable procedures. This allows us to go beyond sampling and instead analyze the entire general ledger for targeted anomalies. Far beyond the audit application, our six phase process of Risk Assessment, Data Analytics and Review (RADAR) can also provide actionable insights to help you understand your entity better.



Timeline of Completion

Winter/Spring	Pre-audit conference
February 2021	Schedule appointment and perform audit work in the following areas: <ul style="list-style-type: none"> • Internal Control Structure inquiry • Review of project tracking procedures
February/March 2021	Tests of compliance with relevant laws and regulations. This would include sampling transactions related to funds and costs incurred.
Late March 2021	Review findings and recommendations noted and review rough draft of performance audit report.
Late March/Early April 2021	Finalize performance audit report.



Cost Estimate

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

CLA understands the importance of providing our clients with value-added solutions. We propose to provide routine, proactive quarterly meetings — as part of our fee — that will allow us to review and discuss with you the impact of new accounting issues, as well as any other business issues you are facing and how they should be handled. This level and frequency of interaction will no doubt enable CLA to help you tackle challenges as they come up, and take full advantage of every opportunity that presents itself.

Professional Services	Year 1
Closeout audit of State Proposition 1D facility project (performance audit)	\$ 15,000
Technology and client support fee (5%)	\$ 750
Total	\$ 15,750

We have found over the years that our clients don't like fee surprises. Neither do we. We commit to you, as we do all of our clients, that:

- We will be available for brief routine questions at no additional charge, a welcome investment in an on-going relationship.
- Like most firms, we are investing heavily in technology to enhance the client experience, protect our data environment, and deliver quality services.
- We believe our clients deserve clarity around fees, and we will continue to be transparent with our fee structure. Any additional charges not discussed in this proposal will be mutually agreed upon up front.
- We will always be candid and fair in our fee discussions, and we will avoid surprises.

Our last word on fees — we are committed to serving you. Therefore, if fees are a deciding factor in your selection of an accounting firm, we would appreciate the opportunity to discuss our audit plan.

At CLA, it's more than just getting the job done.



Appendix

Engagement team biographies



Derrick DeBruyne, CPA, CFE

CLA (CliftonLarsonAllen LLP)

Principal
Glendora, California

626-857-7300
derrick.debruyne@CLAconnect.com



Profile

Derrick has more than 15 years of experience in audits and taxation, single audits under Uniform Guidance and fraud investigation. He specializes in planning, directing, and supervising audits of nonprofit entities, including charter schools, private colleges and universities, social service organizations, and foundations. Derrick consults with nonprofit organizations on a variety of accounting and tax related matters including obtaining IRS exempt tax status, budgeting, internal control, cash flows, endowment reporting, and charitable trust gift accounting. He also specializes in fraud investigations and serves clients as an interim controller, allowing them to leverage the cost of having a CPA advisor as part of their management team.

Technical experience

- Charter schools
- Nonprofit entities
- College foundations
- Private colleges and universities
- Commercial businesses

Education and professional involvement

- Bachelor of science in accounting from the University of La Verne
- Certified Public Accountant in the state of California
- Certified Fraud Examiner
- American Institute of Certified Public Accountants (AICPA), member
- California Society of Certified Public Accountants (CalCPA), member
 - Past President – Inland Empire Chapter
 - Leadership Institute Graduate
 - Former Member of State Council
 - Former Board Member
 - Former Chair – Inland Empire Financial Literacy Committee

Speaking engagements

- California Charter Schools Conference, presenter

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WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



Marlen Gomez, CPA

CLA (CliftonLarsonAllen LLP)

Director
Glendora, California

626-857-7300
marlen.gomez@CLAconnect.com



Profile

Marlen is a director with experience in audits and taxations, reviews and compilations and single audits under Uniform Guidance. She specializes in charter schools, foundations, nonprofit entities, and private colleges and universities. Marlen brings both knowledge and experience to the engagements to which she is assigned to and is a pivotal key member of our team.

Technical experience

- Charter schools
- Nonprofit entities
- Foundations
- Private colleges and universities

Education and professional involvement

- Bachelor of science in accounting from University of La Verne
- Certified Public Accountant in the state of California
- American Institute of Certified Public Accountants (AICPA), member
- California Society of Certified Public Accountants (CalCPA), member

Speaking engagements

- California Charter Schools Conference, presenter



Quality control procedures and peer review report



In the most recent peer review report we received a rating of *pass*, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page.

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in OMB Circular A-133.



Report on the Firm's System of Quality Control

November 21, 2019

To the Principals of CliftonLarsonAllen LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019. 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; audits of employee benefit plans; audits performed under FDICIA; audits of broker-dealers; and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a 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 CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019, 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*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.



Cherry Bekaert LLP