



**AGENDA  
SPECIAL MEETING OF BOARD OF DIRECTORS  
AVESON CORPORATION**

**Zoom Virtual Meeting [Zoom Link](#)**

Meeting ID: 635 876 1750

Password: aveson

**March 10, 2022 | 5:45 P.M.**

**INSTRUCTIONS FOR PRESENTATIONS TO  
THE BOARD BY PARENTS AND CITIZENS**

Aveson Corporation (“Aveson”), which operates Aveson School of Leaders and Aveson Global Leadership Academy, welcomes your participation at the Aveson’s Board meetings. The purpose of a public meeting of the Board of Directors (“Board”) is to conduct the affairs of Aveson in public. We are pleased that you are in attendance and hope that you will visit these meetings often. Your participation assures us of continuing community interest in our schools. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. During normal operations, agendas are available at the door to the meeting. Note that the order of business on this agenda may be changed without prior notice. For more information on this agenda, please contact: Aveson Charter Schools, 1919 Pinecrest Dr., Altadena, CA 91001. Telephone: 626-797-1440. During remote operations, agendas will be available in the Zoom meeting upon arrival. Agendas and board packets are also posted at [aveson.org](http://aveson.org)
2. “Request to Speak” forms are available to all audience members who wish to speak on any agenda items or under the general category of “Oral Communications.” You may specify that you wish to speak on an agenda item by completing the form before the meeting is called to order. Note: Special meetings do not include Oral Communications, but members of the public may still speak to agendized items, as during regular meetings.
3. “Oral Communications” is set aside for members of the audience to raise issues that are not specifically on the agenda. However, due to public meeting laws, the Board can only listen to your issue, not engage in discussion or take action. The Board may give direction to staff to respond to your communication or you may be offered the option of returning with a citizen-requested item. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes.
4. You will be given an opportunity to speak for up to five (5) minutes on agenda items when the Board discusses that item.

5. During remote operations, please keep your microphone muted, except when you are called upon by the Board. The chat may not be used by the public during online meetings. It shall only be used by the board to post public materials for the public.
6. When addressing the Board, speakers are requested to state their name and adhere to the time limits set forth.
7. You may request that a topic related to school business be placed on a future agenda in accordance with the guidelines in Board Policy. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.
8. In compliance with the Americans with Disabilities Act (ADA) and upon request, Aveson may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modification of the agenda in order to participate in Board meetings are invited to contact Aveson’s main office.

**I. PRELIMINARY**

**A. CALL TO ORDER**

Meeting was called to order by the Board Chair at \_\_\_\_\_.

**B. ROLL CALL**

|                      | Present | Absent |
|----------------------|---------|--------|
| Rob Dell Angelo      | _____   | _____  |
| Javier Guzman        | _____   | _____  |
| Trinity Jolley       | _____   | _____  |
| Jeiran Lashai        | _____   | _____  |
| James Perreault      | _____   | _____  |
| Elsie Rivas Gómez    | _____   | _____  |
| Kat Ross             | _____   | _____  |
| Marisa White-Hartman | _____   | _____  |

**II. ACTION ITEMS**

1. Approve 2021-2022 Audit Contract

**III. ADJOURNMENT**



CliftonLarsonAllen LLP  
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CLAconnect.com

February 21, 2022

Board of Directors and Management  
Aveson Charter Schools  
1919 Pinecrest Dr.  
Altadena, CA 91001

Dear Members of the Board and Management:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Aveson Charter Schools (“you,” “your,” “the entity”, or “the Organization”) for the year ended June 30, 2022.

Lili Huang is responsible for the performance of the audit engagement. Per Education Code Section 41020(f)(2), there is a limit of six consecutive year for any firm where the principal of the audit and the reviewing principal have been the same in each of those years. This is the third consecutive year Lili Huang will be the engagement principal.

#### **Scope of audit services**

We will audit the financial statements of Aveson Charter Schools, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

We will also evaluate and report on the presentation of the supplementary information accompanying the financial statements in relation to the financial statements as a whole.

#### **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of your financial statements, schedule of expenditures of federal awards, and related notes.
- Preparation of supplementary information.
- Preparation of adjusting journal entries.
- Prepare the Data Collection Form.
- Preparation of informational tax returns.



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](http://nexia.com/member-firm-disclaimer) for details.

### **Audit objectives**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.
- Reporting on compliance related to state programs and expressing an opinion (or disclaimer of opinion) on compliance with the laws and regulations of the state programs in accordance with the requirements of the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing*

*Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinion on the financial statements or the single audit compliance opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

We also will issue a written report on state compliance upon completion of our audit.

#### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS, the standards for financial audits contained in *Government Auditing Standards*, and the Uniform Guidance. Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations,

contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the

latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that



information (including information from within and outside of the general and subsidiary ledgers), and for ensuring management information and financial information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility

includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes in conformity with U.S. GAAP and the Uniform Guidance based on information provided by you. Since the preparation and fair presentation of the financial statements and schedule of expenditures of federal awards is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements and schedule of expenditures of federal awards.
- We will prepare a draft of your supplementary information. Since the preparation of the supplementary information in accordance with the applicable criteria is your responsibility, you will be required to review, approve, and accept responsibility for the supplementary information prior to its issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on the supplementary information.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.
- We will prepare the Data Collection Form. Management is responsible to review for completeness and accuracy before submitting to the Federal Audit Clearing House.
- We will prepare the organization's federal Form 990 and applicable state filings in accordance with the applicable tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible. We will not audit or independently verify the accuracy or completeness of the information we receive from you for the preparation of the returns and filings, and our

engagement cannot be relied upon to uncover errors or irregularities in the underlying information.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **Use of financial statements**

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

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

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

### **Engagement administration and other matters**

We expect to begin our audit approximately in May 2022.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and

the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Cognizant or Grantor Agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Cognizant or Grantor Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or

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assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

Our engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

*Government Auditing Standards* require that we make our most recent external peer review report publicly available. The report is posted on our website at [www.CLAconnect.com/Aboutus/](http://www.CLAconnect.com/Aboutus/).

### **Mediation**

Any disagreement, controversy, or claim (“Dispute”) that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice (“Mediation Notice”) to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months (“Limitation Period”) after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

### Estimated Fees

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Based on our preliminary estimates, the price for the engagement is as follows:

| Professional Service  |           | Amount        |
|---|-----------|---------------|
| Audit services (includes procedures for one major program under Uniform Guidance, if additional programs are required to be tested they will be billed at \$5,000 per additional federal program) | \$        | 18,800        |
| Data Collection Form SF-FAC and single audit reporting package  | \$        | 975           |
| Informational tax return services   | \$        | 2,900         |
| Technology and client support fee   | \$        | 1,140         |
| <b>Total</b>  | <b>\$</b> | <b>23,815</b> |

Additional state compliance procedures related to changes to the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel will be billed as out-of-scope. This includes independent study testing requirements if the threshold for testing is met.

The estimated fees are based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated price for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our reports. You will be obligated to compensate us for all time expended and related fees and to reimburse us for all out-of-pocket expenditures through the date of termination. There is a ten percent withholding clause per Education Code 14505.

### Unanticipated services

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are listings of services considered to be outside the scope of our engagement. If any such service needs to be completed before the audit can proceed in an efficient manner, we will determine whether we can provide the service and maintain our independence. If appropriate, we will

notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

**Bookkeeping services**

Bookkeeping services are not audit services. Bookkeeping services include the following activities:

- Preparation of a trial balance
- Account reconciliations
- Bank statement reconciliations
- Capital asset accounting (e.g., calculating depreciation, identify capital assets for additions and deletions)
- Calculating accruals
- Analyzing transactions for proper recording
- Converting cash basis accounting records to accrual basis
- Assisting in calculating tax provisions
- Preparation of financial statements and the related notes to the financial statements
- Processing immaterial adjustments through the financial statements
- Adjusting the financial statements for new activities and new disclosures

**Additional work resulting from unanticipated changes in your organization or accounting records**

If your organization undergoes significant changes in key personnel, accounting systems, and/or internal control, we are required to update our audit documentation and audit plan. The following are examples of situations that will require additional audit work:

- Revising documentation of your internal control for changes resulting from your implementation of new information systems
- Deterioration in the quality of the entity's accounting records during the current-year engagement in comparison to the prior-year engagement
- Significant new accounting issues
- Significant changes in your volume of business

- Mergers, acquisitions, or other business combinations
- New or unusual transactions
- Changes in audit scope or requirements resulting from changes in your activities
- Erroneous or incomplete accounting records
- Evidence of material weaknesses or significant deficiencies in internal control
- Substantial increases in the number or significance of problem loans
- Regulatory examination matters
- Implementation or adoption of new or existing accounting, reporting, regulatory, or tax requirements
- New financial statement disclosures

#### **Changes in engagement timing and assistance by your personnel**

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments
- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel
- Restating financial statements for accounting errors in the prior year
- Lack of availability of entity personnel during audit fieldwork



***Changes in accounting and audit standards***

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in this letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

***Changes related to COVID-19***

COVID-19 continues to have significant direct and indirect impacts on financial reporting, disclosure requirements, and the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in this letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

***Consent***

***Consent to use information for benchmarking analysis***

In an effort to better serve the needs of our clients, we develop a variety of benchmark, performance indicator, and predictive analysis reports, using anonymized client data obtained from our audit, tax, and other engagements. Business and financial information that you provide to us may be combined with information from other clients and included within the aggregated data that we use in these reports. While some of these analytical reports will be published and released publicly, please be assured that the separate information that we obtain from you will remain confidential, as required by the AICPA Code of Professional Conduct.

***Subcontractors***

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

February 21, 2022  
Aveson Charter Schools  
Page 16

**Agreement**

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and return this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

**CliftonLarsonAllen LLP**

DocuSigned by:  
*Lili Huang*  
DA20FA268ABD478...

Lili Huang, CPA  
Principal  
626-857-7300  
Lili.Huang@claconnect.com

In Process

**Response:**

This letter correctly sets forth the understanding of Aveson Charter Schools.

Authorized management signature: \_\_\_\_\_

Title: Executive Director/Superintendent

Date: \_\_\_\_\_

**Certificate Of Completion**

|  |                                  |
|--|----------------------------------|
| Envelope Id: 65DA6A055B4F43EBA5D10BB6A4DA5BB1                    | Status: Delivered                |
| Subject: CLA Engagement Letter/Aveson Charter Schools-213-170361 |                                  |
| Client Name: Aveson Charter Schools                              |                                  |
| Client Number: 213-170361  |                                  |
| Source Envelope:   |                                  |
| Document Pages: 16   | Signatures: 1                    |
| Certificate Pages: 5   | Initials: 0                      |
| AutoNav: Enabled   | Envelope Originator:             |
| Enveloped Stamping: Enabled                                      | Dilini Gunatilaka                |
| Time Zone: (UTC-06:00) Central Time (US & Canada)                | 220 South 6th Street             |
|  | Suite 300                        |
|  | Minneapolis, MN 55402            |
|  | Dilini.Gunatilaka@claconnect.com |
|  | IP Address: 104.129.199.25       |

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**Signer Events**

Lili Huang  
 lili.huang@claconnect.com  
 Business Assurance Principal  
 CLA  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 DA20FA268ABD478...  
 Signature Adoption: Pre-selected Style  
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Ian McFeat  
 ianmcfear@aveson.org  
 Executive Director/Superintendent  
 Security Level: Email, Account Authentication (None)

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 Viewed: 2/24/2022 6:55:21 PM

**Electronic Record and Signature Disclosure:**

Accepted: 2/24/2022 6:55:21 PM  
 ID: 8d024eda-82c2-4aaa-b7e7-af85f9d8140c

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|------------------------------|------------------|----------------------|
| Editor Delivery Events       | Status           | Timestamp            |
| Agent Delivery Events        | Status           | Timestamp            |
| Intermediary Delivery Events | Status           | Timestamp            |
| Certified Delivery Events    | Status           | Timestamp            |
| Carbon Copy Events           | Status           | Timestamp            |
| Witness Events               | Signature        | Timestamp            |
| Notary Events                | Signature        | Timestamp            |
| Envelope Summary Events      | Status           | Timestamps           |
| Envelope Sent                | Hashed/Encrypted | 2/24/2022 6:25:07 PM |

| <b>Envelope Summary Events</b>                    | <b>Status</b>    | <b>Timestamps</b>    |
|---|------------------|----------------------|
| Certified Delivered                               | Security Checked | 2/24/2022 6:55:21 PM |
| <b>Payment Events</b>                             | <b>Status</b>    | <b>Timestamps</b>    |
| <b>Electronic Record and Signature Disclosure</b> |                  |                      |

In Process

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

#### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

# Aveson Charter Schools

## Proposal for Independent Audit Services



Wilkinson Hadley King & Co. LLP

218 W. Douglas Ave.

El Cajon, California 92020

Ph: (619) 447-6700

Fax: (619) 447-6707

E-mail: [ksproul@whllp.com](mailto:ksproul@whllp.com)



## Title Page

**RFP Subject:** Independent Audit Services

**Firm Name:** Wilkinson Hadley King & Co. LLP

**Firm Addresses:** 218 W. Douglas Ave.  
El Cajon, California 92020

**Website:** [www.whllp.com](http://www.whllp.com)

**Firm Contact Person:** Kevin Sproul, CPA

**Bid Contact Phone:** (619) 447-6700

**Bid Contact Email:** [ksproul@whllp.com](mailto:ksproul@whllp.com)

**Date Submitted:** March 4, 2022

**Proposal is effective for 60 days.**

March 4, 2022

Aveson Charter Schools  
1919 Pinecrest Drive  
Altadena, CA 91001

We are pleased to have this opportunity to present you with a proposal for independent audit services. As a firm with extensive experience auditing California local education agencies, we understand the requirements of this engagement for Aveson Charter Schools (the School) and the importance of providing the School with reports by the required deadlines. Wilkinson Hadley King & Co. is committed to meeting all of the School's requirements and timelines for successful completion of the annual audit engagement.

Throughout this proposal, we identify the many reasons why we feel that the strengths of Wilkinson Hadley King & Co. LLP create the optimal model to provide the auditing and financial compliance services required by the School. We feel the most important of these strengths are as follows:

- **Charter Schools are a strategic industry for Wilkinson Hadley King & Co. LLP.** We are on the forefront of issues impacting charter schools in California, and we look forward to sharing this knowledge with your school. As a show of our commitment to the education industry, we are actively involved in the California Association of School Business Officials, the Government Audit Quality Center, and the Audit Guide Committee which aids the Education Audit Appeals Panel in writing the annual Audit Guide for California local education agencies. Our objective is to add value beyond the basic financial statement audit by sharing knowledge gained from our vast experience and professional associations.
- **Fresh Perspective.** Our firm engages in audit partner rotation in order to provide a fresh perspective on internal controls, compliance risks, and other operational matters. As noted throughout our proposal, our objective is to provide value beyond our financial and compliance audits.
- **The right people.** Your engagement partner, Kevin Sproul, CPA, is involved in the audit guide committee and has been a guest speaker for the School District Conference hosted by the California CPA Education Foundation to train school auditors. He has extensive knowledge of governmental accounting standards as well as federal and state compliance.

- **Record of timely completion.** Our firm has a record of timely completion of audits acceptable to the State Controller's Office. We obtain annually the State Controller's desk review checklist and verify each of our audits against the checklist to ensure all requirements have been met. Once that verification has been completed, we electronically submit reports to the California State Controller's Office prior to the audit report deadline.
- **Communication.** We believe in frequent communication not only during the audit but throughout the year. Our mission is to proactively work with management and those charged with governance to ensure concerns are addressed before they become problems. If we do identify a problem, we will immediately discuss with management.

I am authorized to execute and negotiate this contract on behalf of Wilkinson Hadley King & Co. LLP. Should you have any questions concerning our proposal or you need any additional information, please contact me at (619) 447-6700 or [ksproul@whllp.com](mailto:ksproul@whllp.com).

Sincerely,



Kevin Sproul, CPA  
Partner

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## Part III: Background and Experience

### Firm's Background and Experience

The firm of Wilkinson Hadley King & Co. LLP was formed in January 2002 and is a local accounting with two offices located in El Cajon, California and Berkeley, California.

The partners of the firm have collectively more than 50 years of experience in auditing school districts, charter schools, governmental agencies, and nonprofit organizations. Managers and staff have collectively more than 35 years of experience in auditing public entities and nonprofit organizations. Below is a summary of our firm's auditing experience during the past year:

|   |            |
|---|------------|
| Audits of K-12 School Districts                         | 39         |
| Audits of Charter Schools                               | 74         |
| Audits of County Offices of Education                   | 3          |
| Audits of Proposition 39 General Obligation Bonds       | 19         |
| Audits of Other Governmental or Nonprofit Organizations | 23         |
| Total Audits Performed                                  | <u>158</u> |

Our firm has been engaged to work with California local education agencies of all sizes. We currently audit the largest elementary school district in the state along with a number of other large districts. While every school district audit is unique, the breadth of our experience ensure that we can provide the Aveson Charter Schools (the School) with the expertise and understanding needed for an effective and efficient engagement.

### Range of Services

We are a full-service accounting firm providing professional accounting, auditing, tax, and management advisory services for our clients. These services currently include the following:

#### Assurance Services and Reporting

- Financial Statement audits
- Single Audits (Uniform Guidance)
- Agreed-upon procedures
- Comprehensive Annual Financial Reports for Certificate of Excellence Awards
- Assistance with financial statement preparation
- Performance audits

#### Consulting and Training Services

- Recommendations for business operations
- Reviews of accounting policies and procedures
- On-site presentations and staff trainings
- Fraud investigations
- Procurement reviews and investigations
- Preparation of internal audit manuals

## Experience in Auditing Computerized Systems

As a firm who specializes in auditing charter schools, we are extremely familiar with the requirements on auditing your computerized systems. The variety of automated fund accounting software programs, spreadsheets, report writers, and specialized programs seem unlimited. Our auditors and consultants are familiar with the most common systems used by our clients. Because of our experience, we are familiar with the capabilities and limitations of the programs most commonly utilized by California local education agencies.

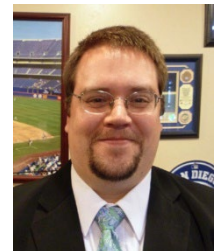
A review and evaluation of school information technology systems will be performed during the audit due to the integral nature and relationship to the financial reporting of the School. Both general information technology (IT) controls and application controls will be assessed during the planning of the audit. Systems tests for integrity, system security tests, use of computer assisted audit tools (CAATs), and/or the use of an IT specialist will be applied as deemed necessary to achieve the planned audit objectives.

## Auditor's Staffing and Qualifications

Wilkinson Hadley King & Co. LLP is committed to ensuring your school receives the best auditing services available on a year-to-year basis. As part of our firm's quality control we provide for partner and staff rotation on each engagement. This process ensures to our clients that a fresh set of eyes reviews each years' financial information and provides the quality control that our clients desire. Your audit will be assigned the following leads:

### Kevin Sproul, CPA Engagement Partner

Kevin is a graduate of the University of Louisville with degrees in both Accounting and Business Administration. He began his accounting career within a private company working directly under the CFO in Louisville, Kentucky. Kevin joined the firm in 2013 and was admitted as a partner in 2016. Kevin is a licensed Certified Public Accountant in the state of California and is also a member of the California Association of Certified Public Accountants. Kevin has experience in audits of local school districts and charter schools.



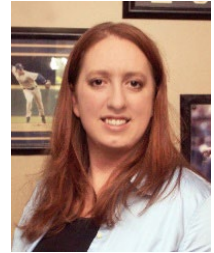
Kevin began participating on the planning committee for the School District Conference put on by the California Society of CPA's in 2015. He Co-Chaired the 2018 conference. Kevin also participates on the audit guide committee which makes recommendations to the Education Audit Appeals Panel in preparing the audit guide for California K-12 Local Education Agencies.

### **Additional Wilkinson Hadley King & Co. Partners**

Below are brief profiles for the other partners of Wilkinson Hadley King & Co. LLP. More detailed resumes will be provided upon request.

#### **Aubrey W. Mann, CPA, Managing Partner**

Aubrey is a graduate of Southern Utah University with a Bachelor of Science degree in accounting. Aubrey also obtained a Master of Business Administration with an emphasis in Finance from Washington State University. Aubrey joined the firm in 2003 and was admitted as a partner to the firm in 2006. Aubrey is a licensed Certified Public Accountant in the state of California (certificate #95713). Aubrey has extensive experience in audits of local school districts and has been instrumental in working with the firm's school district and charter school clients. Aubrey also has experience in non-profit auditing and has overseen numerous audits of the firm's governmental and non-profit clients.



For the past several years Aubrey has participated on the planning committee for the School District Conference put on by the California Society of CPA's. In addition to her role on the planning committee, she has been asked to co-chair and speak at the conference a number of times. Aubrey also participates on the audit guide committee which makes recommendations to the Education Audit Appeals Panel in preparing the audit guide for California K-12 Local Education Agencies.

Aubrey is also a member of the AICPA, the California Society of Certified Public Accountants (CalCPA), and the California Association of School Business Officials (CASBO).

#### **Brian K. Hadley, CPA Partner**

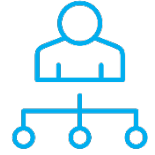
Brian graduated from Brigham Young University with a Master of Science Degree in Accounting and he has more than twenty years of public accounting experience. Brian started his career in 1986 with Peat, Marwick, and Mitchell where he worked as a staff accountant and tax preparer. Brian has also worked for the national firm of McGladrey & Pullen in the Las Vegas office and with the San Diego firm of Levitz, Zacks & Ciceric.



Brian has experience in the retail, construction, technology, manufacturing, and service industries as well as working with local governmental agencies and school districts. Brian is a licensed Certified Public Accountant in the state of California and also a member of the American Institute of Certified Public Accountants (AICPA). Brian meets all governmental continuing professional education requirements.

## Audit Team Levels

The staffing levels which will be utilized for this engagement are outlined below. In addition to the specific qualifications required for each level, all assigned audit staff will also meet the requirements for performing audits in accordance with *Governmental Auditing Standards* as well as *Yellow Book Standards*.



### Engagement Partner

The engagement partner assumes responsibility for the overall quality of the audit engagement and is responsible for the managerial, administrative and technical aspects of the engagement. The assigned engagement partner will be a Certified Public Accountant with at least fifteen years of financial statement auditing experience in the school district and governmental industry.

Responsibilities of the engagement partner include:

- Assistance with scheduling and team assignments
- Review of planning documentation and initial audit plan
- On-site assistance as required for critical portions of the audit
- Technical review of financial statements and working papers
- Responsibility to address any concerns from District management regarding audit matters
- Responsibility to address and complete technical and complex audit procedures
- Technical assistance to District personnel
- Authorization of issuance of audit reports to the School and other parties



### **Engagement Supervisor**

The engagement supervisor is responsible for conducting and directing the audit engagement and duties include planning and direction of the engagement, as well as examination and analysis of District records. The engagement supervisor will be a Certified Public Accountant and must have at least five years of financial statement auditing experience in the school district and governmental industry.

Responsibilities of the engagement manager include:

- Assistance with planning of the audit engagement
- Plans and monitors overall audit progress
- Fieldwork supervision when the engagement partner is not on-site
- Supervision of in-charge auditor and any assigned associates during all phases of the audit
- Performance of testwork and evaluation of the School's internal controls as needed
- Evaluation of the School's financial records for compliance with generally-accepted accounting principles, federal and state laws, regulations, policies and procedures
- Additional analysis of District's accounts or performance of other audit work as necessary
- Responsibility to address and complete technical and complex audit procedures
- Technical assistance to District personnel
- Initial reviews of working papers and certain compliance reports

### **Engagement Staff**

Assigned engagement staff members will perform tasks assigned by the engagement partner and engagement supervisor. Engagement staff positions require a B.S. or M.S. degree with a major in Accounting.

Responsibilities of the engagement staff may include:

- Examining the School's financial records
- Evaluating the School's internal controls
- Assisting with interviews of District personnel to obtain data and other supporting information to assess District operations
- Analyzing District accounts as specified in the audit program
- Preparing documentation as evidence of and to support analysis
- Assisting with preparation of final audit reports

## Peer Review

Wilkinson Hadley King & Co. LLP firm works hard to ensure all audits by the firm are completed based on the highest standards as outlined in *Generally Accepted Government Auditing Standards*.

Our firm participates in the American Institute of Public Accountants (AICPA) Peer Review Program which evaluates the firm's system of quality control. Our most recent peer review was completed for the year ended December 31, 2017 in which our firm received a score of "Pass", which is the best score that can be received in a peer review.

A copy of the peer review report has been provided on the following page. As our firm received a rating of pass, no deficiencies were noted for the review of the year ended December 31, 2017.

Our firm completed a Peer Review for the fiscal year ended December 31, 2020, the review is currently in committee review and will be released upon completion by the Peer Review Committee at the California Board of Accountancy.



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## Report on the Firm's System of Quality Control

May 9, 2018

To the Owners of Wilkinson Hadley King & Co., LLP  
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 Wilkinson Hadley King & Co., LLP (the firm) in effect for the year ended December 31, 2017. 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 areas described in the Standards may be found at [www.aicpa.org/prsummary](http://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.

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 Wilkinson Hadley King & Co., LLP in effect for the year ended December 31, 2017, 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*. Wilkinson Hadley King & Co., LLP has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Heinfeld, Meech &amp; Co., P.C." in a cursive style.

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona

## References

The following selection of references are California local education agencies whose financial statements have been recently audited by Wilkinson Hadley King & Co. LLP.

### **Helix Charter High School**

7323 University Ave

La Mesa, CA 91942

Contact: David Yeager

P: (619) 644-1940

E: [yeager@helixcharter.net](mailto:yeager@helixcharter.net)

Work Performed Last 2 Years: Single Audit

Engagement Partner: Kevin Sproul, CPA

Engagement Supervisor: Aubrey W. Mann, CPA

### **O'Farrell Charter Schools**

6130 Skyline Drive

San Diego, CA 92114

Contact: Jonathan Dean

P: (619) 263-3009

E: [susan.cuttitta@ofarrellschool.org](mailto:susan.cuttitta@ofarrellschool.org)

Work Performed Last 2 Years: Single Audit

Engagement Partner: Kevin Sproul, CPA

Engagement Supervisor: Aubrey W. Mann, CPA

### **Granada Hills Charter School**

10535 Zelah Ave

Granada Hills, CA 91344

Contact: Tammy Stanton

P: (818) 360-2361 x1014

E: [tammystanton@ghctk12.com](mailto:tammystanton@ghctk12.com)

Work Performed Last 2 Years: Single Audit

Engagement Partner: Kevin Sproul, CPA

Engagement Supervisor: Kevin Sproul, CPA

## AICPA Governmental Audit Quality Center Membership



Wilkinson Hadley King & Co. PPC are members of the American Institute of Certified Public Accountants (AICPA) Governmental Audit Quality Center, which is committed to the highest standards of quality in governmental audits.

As a national community of CPA firms, these memberships provide access to best practices and tools that help ensure the quality of governmental audits while providing the up-to-date information needed to serve the School during this engagement.

## Assurances

We attest that our firm will meet all requirements as listed in the School's RFP for Independent Audit Services, including the following:

- Wilkinson Hadley King & Co. LLP is a properly licensed certified public accounting firm in California. In addition, all managing and supervising auditors will be properly, licensed certified public accountants on or before July 1, 2015.
- Wilkinson Hadley King & Co. LLP meets the independence requirements of *Government Auditing Standards* and those of the AICPA Code of Conduct. We have established the proper procedures to query our employees and have determined that there are no independence issues that would prevent us from issuing an opinion of the School's financial statements.
- Wilkinson Hadley King & Co. LLP has no record of substandard work.
- Wilkinson Hadley King & Co. LLP agrees to the primary purpose of the audit as outlined in the School's RFP. No extended services will be performed under this contract unless authorized by the School. Any such additional work will be discussed with the School in advance and the existing agreement with the School will be amended to reflect the change in services.
- In accordance with auditing standards and other applicable guidelines and regulations, Wilkinson Hadley King & Co. LLP will select the procedures necessary to test compliance and disclose noncompliance with specified laws, regulations and contracts.

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## Part IV: Scope of Services

### Audits to be Completed

We propose to provide the following services to Aveson Charter Schools:

1. Audit of the financial statements for Aveson Charter Schools, inclusive of reporting on state and federal compliance as outlined in the RFP.

### Audit Requirements to Be Followed

Due to our team's experience in auditing California local education agencies, Wilkinson Hadley King & Co. LLP is knowledgeable of the applicable audit requirements. We therefore can assure the School that this engagement will adhere to the audit requirements of the California K-12 Local Education Agency Audit Guide, as prepared by the Education Audit Appeals Panel, and Uniform Grants Guidance, 2 CFR Part 200, Subpart F.

### Financial and Compliance Areas to Be Audited

Typically, our firm will select various departments of the School for sampling purposes and will test the internal controls on other various departments of the School during each audit. The departments to be tested will be based on the risk assessment completed during the planning phase of the audit. Concerns indicated by the School's management during audit planning are factors considered during the risk assessment process.

In addition, the following are objectives for the financial statement audit of the School. During the audit planning stage, we may identify additional objectives specific to the School. More detailed information about the approach to the audit is provided later in this proposal.

- All cash and investments on the balance sheet are on hand, in transit, or on deposit with third parties (depositories) in the name of the School.
- Cash balances reflect a proper cutoff of receipts and disbursements and are stated at the correct amount.
- Payroll (wages, salaries, and benefits) disbursements are made only for work authorized and performed.
- Payroll is computed using rates and other factors in accordance with contracts and relevant laws and regulations.
- Expenditures for goods or services are authorized and in accordance with USFR, Arizona Procurement Code, and Federal program requirements, as applicable.
- Expenditures for goods or services and related disbursements and liabilities have been recorded correctly as to account, fund, budget category, period, and amount.
- Revenues have been billed or charged and recorded at the correct amount and in the correct fund, and receivables are stated at the net realizable amount.
- Account balances and transactions are properly classified in the financial statements and the related note disclosures to the financial statements are adequate.
- Grants are administered, and grant revenues and expenditures are recorded, in accordance with grant provisions and related laws and regulations, as applicable.

- Capital assets have been recorded at the correct amount in the proper asset category and assigned an appropriate useful life over which the asset will be depreciated.
- Fund balances and net position are properly stated.
- Long-term liabilities of the School and the related payments are properly recorded.

### **Audit Report Submission Date**

Our firm agrees to meet the time constraints and reporting deadline requirements specified in the School's Request for Proposals; therefore, the final audit reports will be provided to the School no later than December 15<sup>th</sup> each year.

### **Audit Documentation**

Wilkinson Hadley King & Co. LLP has appropriate policies and procedures in place to ensure proper retention of audit documentation for a period of at least three years as required by the School's RFP. Our firm agrees to make available, on request by the California Department of Education, a copy of documentation pertaining to the audit of Aveson Charter Schools.

### **Audit Report Issuance**

Upon issuance of the final audit reports to the School, Wilkinson Hadley King & Co. LLP will also provide copies of the audit report, as well as any management or communication letter, directly to the California Department of Education, the California State Controller's Office, authorizing School District, the appropriate County Office of Education, and the Federal Audit Clearinghouse on behalf of the School.

## Audit Approach

### 1. Audit Phases and Audit Work Plan



This section provides an outline of work typically completed by Wilkinson Hadley King & Co. LLP during each of the major phases of the audit.

#### Audit Planning

Audit planning procedures will begin at the time of the contract award. These procedures will develop the audit team's understanding of the School's operations, will be used to clarify audit objectives, and will help with the development of a detailed audit plan.

- Preparation and issuance of engagement letter
- Conduct entrance conference with key personnel as deemed necessary
- Perform risk assessment procedures
  - Inquiries of management and staff
  - Preliminary analytical procedures
  - Observation of operations
  - Perform transaction walkthroughs
  - Engagement team discussions
- Develop an understanding of client, the environment and internal controls
  - Review prior year financial statements and applicable accounting records
  - Review of industry guides, regulatory information, statutes, internal/external reports, etc.
  - Preparation of process and control memorandums
  - Completion and review of internal control questionnaires
  - Obtain understanding of information technology systems
- Develop a preliminary judgment of materiality
- Develop a detailed audit plan to include preparation of audit programs
- Identification of major Federal programs for Single Audit, as applicable
- Identify responsibilities and assign tasks to the audit staff and District personnel
- Submit audit questionnaires to audit liaison for assignment to District staff (usually submitted to client approximately a month before scheduled fieldwork dates)
- Other planning procedures, as deemed necessary



### Audit Procedures

Certain core audit procedures will be performed at the School during scheduled fieldwork dates; however our firm also minimizes disruption for District operations by conducting audit procedures from our office when appropriate and practical. District management and staff should be available during any scheduled fieldwork dates for discussions and to provide requested materials.

- Perform tests of key operational controls. May include, but not limited to the following areas:
  - Payroll and related benefits
  - Disbursements and accounts payable
  - Capital asset additions and deletions
  - Cash receipts
- Develop and perform compliance tests for applicable compliance requirements
- Perform substantive procedures on the primary financial statement accounts
  - Cash and investments
  - Receivables, including interfund balances
  - Capital assets
  - Payables, including accounts payable, and accrued wages and benefits
  - Long-term debt, including compensated absences, bonds, loans, notes, and leases
  - Intergovernmental revenue, including grants and contributions
  - Net position liability and related accounts
  - Charges for services revenue
  - Other sources/uses, including interfund transfers, debt proceeds, and capital contributions
  - Payroll and related benefit expenditures/expenses
  - Goods and services expenditures/expenses
  - Debt service expenditures
  - Property tax revenues
  - Data analytic procedures on various account balances
- Other necessary audit procedures, if applicable

### Audit Conclusion

Audit conclusion procedures include the communication of the audit results to the School's management, quality control procedures over the audit, and drafting and final distribution of applicable audit reports.

- Perform final analytical review procedures
- Perform subsequent events review
- Perform exit conferences with District staff upon completion of audit
- Perform final review of working papers and audit programs
- Audit staff to draft financial statements and applicable audit and compliance reports
- Engagement partner to review financial statements and audit reports
- Secondary partner review of financial statements and key audit documentation, as applicable
- Distribute final audit reports to applicable recipients

## Audit Approach Details

### Financial Statements

Audit procedures necessary to complete our audit objectives are dependent upon an extensive risk assessment process performed during the planning phase of the audit in which we will gain an understanding of the School and its operations, evaluate internal controls, and assess risks of misstatement for account balances and transaction classes. While it is difficult to provide a complete description of the detailed audit procedures to be performed, the following provides some examples of procedures that are commonly performed by our firm.

- Cash on deposit – review and re-perform reconciliation procedures to the County Treasurer
- Property tax receivables – confirm balances to the County Treasurer
- Due from other governments – confirm balances to supporting documentation
- Capital assets – test amounts recorded to supporting documentation
- Accounts payable – analytical procedures to prior and current year activity, test amounts to supporting documentation
- Accrued payroll – analytical procedures, test amounts to supporting documentation
- Bonded Debt – agree amounts to debt amortization schedules, test transactions to county treasurer records
- Pension/OPEB liabilities – agree amounts to supporting schedules, analytical procedures to District records
- Property tax revenue – analytical procedures, confirm amounts to county treasurer
- Intergovernmental revenue – analytical procedures, confirm amounts, agree to supporting documentation
- Payroll – detail test of controls performed on a sample of transactions, analytical procedures, comparison to IRS form 941, data analytic procedures including vendor/employee fuzz logic test
- Disbursements – detail test of controls performed on a sample of transactions, data analytic procedures including Benford’s analysis
- Depreciation – analytical procedures, recalculation of detail asset postings
- Journal entries – detail test of controls performed on a sample of transactions, data analytic procedures including keyword search analysis

### Financial Statements Sampling for Detail Tests

Wilkinson Hadley King & Co. LLP will select sample sizes derived from the entire population of transactions within the major transaction cycles considering both quantitative and qualitative factors. Statistical sampling will typically be utilized for larger, significant transaction classes such as payroll, disbursements, and certain cash receipts. Statistical sampling will be completed utilizing CaseWare IDEA Data Analysis Software. Nonstatistical haphazard or judgmental selections will be utilized for smaller populations that do not provide for the application of statistical sampling, or populations that have attribute testing considerations. Typical sample sizes for a particular control test range from 25 to 60 transactions; however sample sizes are modified based on our assessment of the controls and risk of misstatement.

### **Single Audit Requirements**

If federal award expenditures exceed \$750,000 a Single Audit will be required. We will complete procedures under Uniform Guidance if required to do so. While all the detailed procedures required under Uniform Guidance will be properly completed, the following provides information about some of the more significant procedures and steps in conducting a Single Audit.

- Determination of low-risk auditee status
- Identification of high-risk programs
- Determination of major federal programs to be tested
- Identification of direct and material compliance requirements
- Development of program materiality
- Documentation of internal controls over each major program
- Assessment and documentation of program risk
- Performance of tests of internal controls over compliance
- Performance of compliance tests for major programs
- Review the schedule of expenditures of federal awards for presentation requirements
- Audit reporting on compliance of each major program, internal controls over compliance and the schedule of expenditures of federal awards
- Completion of the data collection form

### **Federal Programs Sampling for Detail Tests**

Nonstatistical judgmental selection sampling is generally utilized for tests of compliance in order to ensure items selected meet the specific objectives of Uniform Guidance compliance requirement of the program or other applicable compliance requirement. Sampling for tests of compliance for a Single Audit requires a planned low level of control risk. In addition, dual purpose samples will be utilized for Uniform Guidance audit procedures when deemed appropriate to test both the operating effectiveness of controls over compliance as well as compliance with a particular compliance requirement. Typical sample sizes for a particular compliance requirement test range from 25 to 60; however sample sizes are modified based on our assessment of the controls and risk of noncompliance.

### **Gaining an Understanding of Internal Controls**

Auditing standards require us to obtain an understanding of internal controls to plan the audit and to assist in determining the nature, timing and extent of audit procedures to be performed. Our understanding of the School's internal control framework will primarily be obtained through inquiry and discussions with management. In addition, an understanding of the School's internal controls over financial reporting will be completed and documented through a series of internal control questionnaires. Key controls will be tested through observation, inspection of documents and detail tests of transactions. Resources such as the School's budget, organizational charts, policy and procedure manuals, and assessment of information technology systems will be utilized accordingly to gain an understanding of the School's internal control structure.

## Customer Service Philosophy

Our firm is committed to keeping an open communication with management throughout the audit process. Our client relationships rely upon open and regular communication. We know that your time is valuable and you often need assistance quickly. Due to our specialization in the school district industry, the Santa Monica-Malibu Unified School District will receive knowledgeable assistance throughout the year. The Engagement Partner and Audit Manager will be available continuously throughout the engagement period for consultation or discussion.

Our goal is to respond to all client questions within one workday. Full contact information for your audit team, including emails and cell phone numbers, will be provided to the School. If your audit supervisors happen to be unavailable, the School also may request assistance from other members of our firm. Due to our extensive experience working with school district, you can be assured that all members of our team will provide knowledgeable assistance to the School.

## Use of Data Analytics Audit Methodology



CaseWare IDEA software, a comprehensive, powerful tool that allows for faster and more effective auditing techniques over various audit areas, will be utilized for this audit engagement. The use of data analytics will allow for audit procedures to be focused on those items which appear to be anomalies as identified through this analysis. In some instances, the use of data analytics will allow for the testing of complete sets of data rather than the sampling of a limited number of transactions.

Data analytics procedures applied in the audit may include:

- Analyzing month-to-month and year-to-year audit data to identify trends and anomalies
- Examining all weekend, holiday and off hour general ledger activity
- Technology controls checks by comparing established user roles with user activity
- Applying Benford's Law to examine frequency distribution of transactions
- Identifying fluctuations and anomalies in bank account reconciliations
- Using "fuzzy logic" to identify addresses shared by employees and vendors
- Identifying and examining anomalies in payroll-related transactions

Additional audit requests for data analytic procedures may include, but are not limited to, the following data files:

- Detail payroll data file
- Adjusting journal entries
- Employee maintenance files
- Vendor maintenance files
- Invoice processing file
- Banking and credit card reports

## Part V: Proposed Fees

The following represents our proposal for the audit fees for the School. Our proposed fees are all-inclusive for the audit engagement. The proposed fees are:

|  | 2021-22         | 2022-23         | 2023-24         |
|--|-----------------|-----------------|-----------------|
| <b>Financial &amp; State Compliance:</b>                 |                 |                 |                 |
| <b>Aveson School for Leaders</b>                         | \$7,000         | \$7,250         | \$7,500         |
| <b>Aveson Global Leadership Academy</b>                  | \$7,000         | \$7,250         | \$7,500         |
| <b>Total Financial and State Compliance Audit</b>        | <b>\$14,000</b> | <b>\$14,500</b> | <b>\$15,000</b> |
| <b>Federal Compliance (if expenses exceed \$750,000)</b> | \$2,500         | \$2,500         | \$2,500         |
| <b>Tax Return Preparation</b>                            | \$1,200         | \$1,200         | \$1,200         |

The following represents our firm's billing rates for any additional accounting or audit work that may be requested by your school. We will not engage any services outside of the annual audit without permission from you. The following represents our hourly rate for charter schools which are discounted 25% from our standard hourly rates:

| Classification           | Rate  |
|--------------------------|-------|
| <b>Partner</b>           | \$200 |
| <b>Manager</b>           | \$150 |
| <b>Senior Accountant</b> | \$100 |
| <b>Staff Accountant</b>  | \$75  |
| <b>Clerical</b>          | \$45  |