



Proposal for
University Preparation School
at CSU Channel Islands
Camarillo, California

For the fiscal year ending June 30, 2021,
plus optional renewals through June 30, 2023

Submitted on November 3, 2021:

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

November 3, 2021

Board of Directors and
Ms. Charmon Evans, Executive Director
University Preparation School at CSU Channel Islands
Camarillo, California

Dear Ms. Evans and Members of the Board,

Christy White, Inc. (CW) is pleased to respond to University Preparation School at CSU Channel Islands's request for Annual Financial Statement Audits for the fiscal year ending June 30, 2021 (plus the two optional renewal periods through 2023).

We **specialize in auditing California charter schools**, including High Tech High (16 charter schools), Da Vinci Schools (5 charter schools), and Excelsior Charter School (over 1,800 pupils). In 2019-20, we were providing services to over 80 nonprofit charter schools and 120 school districts. Also, we audit school bonds and state facilities grants, plus, should the need arise, we perform forensic audits.

CW will continue to serve University Preparation School at CSU Channel Islands with our audit team of charter school nonprofit specialists. For 20 years, our firm has specialized in charter school audits, so you get the benefits of not only an experienced specialized team but an entire firm of more than 30 professionals. As a leader in the K-12 education industry, we provide educational organization audit focused staff training unmatched by other firms. We assure you that every Christy White team member will be trained to handle your audit efficiently and effectively. Moreover, we provide **free training and accounting advice** to our clients.

Founding partner, Christy White, has 34 years of school audit and consulting experience and is joined by Partners Heather Daud Rubio, Michael Ash, John Whitehouse, plus seven director-level managers, and experienced in-charges auditors and staff. My partners and I have a great deal of interest and **commitment to providing excellent auditing services to University Preparation School at CSU Channel Islands.** Our team is committed to meeting all requirements and timelines for the successful completion of the engagement.

After reading through our proposal, should you have any questions, please feel free to contact me at 619-270-8222. I would be happy to meet with you, the auditor selection committee, and the Governing Board.

Sincerely,

Christy White Brook, CPA
President

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San Diego, CA
92103

O: 619-270-8222
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EXECUTIVE SUMMARY

Christy White, Inc. (CW), a professional accountancy corporation, is the 2nd largest CPA firm in the number of Local Educational Agencies (LEAs) audited annually. Home-based in San Diego with professional staff that resides across the State to best serve our clients. Christy White, CPA, CFE, and Marcy Kearney, CPA, will lead the proposed auditing services that include an audit of the annual financial statements and compliance for University Preparation School at CSU Channel Islands for the fiscal year ending June 30, 2021, plus two optional renewal years.

When considering whether to hire our firm, you will find that CW can be differentiated from our competitors in several areas, such as:

- **EXPERIENCED AND INVOLVED PARTNERS AND MANAGERS:** Christy White, CPA, President and Partner, has 34 years of audit and consulting experience garnered from 27 years in public accounting and 7 years with School Services of California, Inc. Marcy Kearney, CPA, Senior Director of the charter school division and tax department, has 12 years of experience working directly with independent charter schools, other nonprofit organizations, and school districts. You can expect that Ms. White and Ms. Kearney will be accessible to University Preparation School at CSU Channel Islands when the audit is underway and lend their expertise freely on accounting and internal control issues.
- **TIMELY AUDITS:** CW is committed to meeting all audit deadlines. All of our audits have been performed according to agreed-upon audit schedules, with the final reports to the State of California filed on time.
- **SECURE REMOTE AUDIT TECHNOLOGY:** Our firm implemented a "virtual office" setting several years preceding the pandemic. With our technology, we are fully capable of conducting a secure remote audit by providing audit-related items via our client-secured online portal (Suralink). Your CW audit manager will help set up you and your staff. The portal is very user-friendly.
- **COMMITMENT TO QUALITY:** CW has received an "unqualified" audit opinion by our peer reviewers regarding our firm's Quality Control Standards. All audits submitted to the State have been approved. Current client references are available upon request.
- **SMOOTH AUDIT PROCESS:** CW specializes in governmental and not-for-profit entities, so the process for the audit will be smooth. CW guarantees that: (1) trained and supervised staff will be on-site; (2) clients will be given a detailed audit plan; (3) CW will be considerate of your staff and their workload; and (4) all audit findings will be discussed before the report is finalized.
- **FINDING SOLUTIONS:** CW is not content to simply identify problem areas that may exist in your Organization but seeks ways to help provide solutions. Any CPA firm can discover a problem, but with our combined backgrounds and experiences, we can supply our clients with a wide range of possible solutions.

The following proposal provides more specific information on the scope of the audit services, our experience, qualifications, client references, and audit approach. We hope that you select our audit firm.

GENERAL INFORMATION – ABOUT CW

LEGAL NAME AND CORPORATE CONTACT INFORMATION

Legal Name: Christy White, A Professional Accountancy Corporation (dba Christy White, Inc.)
 Corporate Address: 348 Olive Street, San Diego, CA 92103
 Telephone Number: 619-270-8222
 Fax Number: 619-260-9085
 Email Address: cwhite@christywhite.com
 Website: www.christywhite.com

FIRM HISTORY, SERVICES, AND SIZE

Christy White, Inc. was incorporated in 2010, succeeding Nigro Nigro & White (NNW) as the AICPA designated successor firm (Christy White was a founding partner NNW in 1999). Our firm has grown steadily over the past 20 years and now has 30 professionals, including seven CPAs.

We offer services exclusively to local educational agencies (LEAs), including school districts and charter schools. It's our full specialization in LEAs that makes us unique among CPA firms and provides added value to our clients. As your educational audit specialist, CW audits over 120 school districts, seven county offices of education, 90 Proposition 39 bonds, 12 State School Facilities Grant audits, and over 80 charter schools. Our audit clients range in size from large charter schools to mid-size and small entities. We also prepare the annual tax Forms 990/199 for our nonprofit charter school clients. Our consulting capabilities include helping our clients with:

ASB Training	Forensic/Fraud Audits
Attendance Accounting	Business Functions Organization
FASB and Compliance Implementation	Charter School Back Office
Efficiency Studies	Financial Reporting

FIRM LICENSE, AFFILIATIONS AND ASSOCIATIONS

Christy White, Inc. (CW) is incorporated in the State of California. CW is licensed by the State Board of Accountancy. We are a majority women-owned firm. The California State Controller's Office CPA Directory lists Christy White as an eligible CPA firm that conducts LEA audits.

CW is a member of the Private Companies Practice Section (PCPS) and Government Audit Quality Center (GAQC) of the American Institute of CPAs, which requires an independent peer review every three years. We are members of the American Institute of CPAs (AICPA) and the California Society of CPAs. We are also associate members with the California Charter School Association (CCSA), the California Association of School Business Officials (CASBO), the Government Finance Officers' Association (GFOA), and the Association of Certified Fraud Examiners.

CW is also an active participant with the Education Audit Appeals Panel in developing the annual K-12 audit guide and dialogues regularly with State agencies on audit issues that affect our charter school clients.

GENERAL INFORMATION – ABOUT CW (CONT.)

FIRM INDEPENDENCE

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

CW has had no personal relationships with University Preparation School at CSU Channel Islands or its board members; however, CW has holds a business relationship serving as the independent audit firm since the 2016-17 fiscal year. CW holds a business relationship with the business services provider, EdTec, and works with several mutual clients. Should a professional relationship occur that presents an indendence conflict during the contract period, CW would immediately notify University Preparation School at CSU Channel Islands.

RESPONSIBLE BUSINESS PRACTICES

Christy White, Inc. is financially stable. We have no long-term debt and have remained fiscally stable throughout our 20-year history. We will not joint venture with another firm on this engagement.

CW has a standing record of performing quality audits. Our clients and the State Controller's Office have accepted all of our audit reports. No client has terminated a contract during the performance of the audit. Additionally, we have not been involved in litigation or any investigation by a state, federal, or professional agency.

There have been no complaints levied by the State Board of Accountancy or other regulatory authority in the history of CW or its predecessor firm of Nigro Nigro & White, PC. None of the CPAs of CW have had any individual complaints or sanctions.

CW'S QUALITY CONTROL SYSTEM

Our quality control systems include policies and procedures in leadership, ethical requirements, acceptance of new clients, personnel management, engagement performance, monitoring, and communication. We actively monitor compliance with our quality control document by reviewing work papers, training on new standards, consultation on complex areas, and sound human resources practices. CW has received the highest level of assurance from our peer reviewer, which is "Pass." Attached is our most recent quality control report.

INDEMNITY

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

AUDIT STAFFING AND PERSONNEL

STAFF QUALIFICATIONS

The firm partners and staff of Christy White, Inc. (CW) bring an extensive background of audit and consulting experience to CW clients. We have audited local educational agencies (LEAs) throughout California. We are familiar with the unique issues relative to charter school finance: budgetary constraints, construction accounting, new federal and state program compliance, attendance accounting, state funding models, cash flow management, and more. The audit team will include:

Christy White, Inc. Personnel Assigned	
Name	Classification
Christy White Brook, CPA, CFE	Partner
Marcy Kearney, CPA	Senior Director
Monique Manzo	Supervisor

ABBREVIATED RESUMES OF CHRISTY WHITE, INC.'S ASSIGNED AUDIT TEAM

Biographies of all staff members assigned to your audit are shown below.



President Christy White Brook, CPA, CFE, has served hundreds of school districts and charter schools as an auditor, school finance consultant, professional author, and trainer. Christy provides audit and financial consulting in organizational structure, internal controls, school district reorganization, attendance accounting, forensic and fraud audits, and developing and conducting six workshop series throughout the State. Christy received a Best Volunteer Trainer award from the California Society of CPA's Education Foundation. And she is a Certified Fraud Examiner (CFE) in addition to her CPA license.



Senior Director Marcy Kearney, CPA, is a licensed CPA in California with over twelve years of experience, individually working with public school districts, independent charter schools, and not-for-profit entities for both audit and tax preparation. She manages the tax department and the charter school division of the audit department. Additionally, Marcy has been a long-time member of the California Society of CPAs (CalCPA) and is a member of the American Institute of CPAs (AICPA). Marcy holds a Bachelor of Science degree in Business Administration with an emphasis in Accountancy from Cal State University, San Marcos.



Supervisor, Monique Manzo specializes in K-12 public school district, charter school and not-for-profit organization audit where she has gained expertise over attendance accounting, state compliance, and Uniform Guidance federal compliance.

Before she began her career with CW in 2015, Monique obtained a Bachelor of Science degree in Business Administration with an emphasis in Accounting from California State Polytechnic University, Pomona. Monique is a member of CalCPA and is native to Los Angeles.

AUDIT STAFFING AND PERSONNEL (CONT.)

STAFF TRAINING PROGRAMS

CW's program of staff development includes two full weeks of focused in-house training in the audit of charter schools and school districts. We also provide opportunities to staff to attend professional training provided by outside providers, such as School Services of California, the California Society of CPAs, and CCSA. A sampling of training programs our staff has attended within the last year include:

Sampling of Recent Training Courses Taken by Staff	Training Provider Organizations
Annual California Charter School Conference	CCSA
Annual CASBO Conference, Attendance Accounting	CASBO
January, May, and Summer Budget Conferences	School Services of California, Inc.
School District Conference	California Society of CPAs
Annual Fraud Conference	Association of Certified Fraud Examiners
Annual GFOA Conference	GFOA
Annual Conference, Charter Schools Development Center	Charter Schools Development Center
Nonprofit Accounting & Auditing Conference,	AICPA
Single Audit Conference	

STAFF CAPACITY

CW has a corporate office located in San Diego and numerous remote offices throughout California. We have over 30 professional employees, including seven certified public accountants, and sufficient audit capacity to provide excellent audit services to University Preparation School at CSU Channel Islands.

EQUAL OPPORTUNITY EMPLOYER

CW is an equal opportunity employer. We do not discriminate based on race, ethnicity, age, or religion. We are in compliance with all applicable federal and state laws and regulations relating to equal opportunity employment, including the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable Federal and State laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965.

PAST PERFORMANCE

SPECIALIZING IN K-12 AUDITS

CW devotes our practice exclusively to K-12 auditing and consulting, including charter schools, schools districts and county offices. A full list of all charter schools served is included on the following page and below is a list of all charter schools in San Diego County as well as charter schools that we work with that also contract with CSMC for business services. References can be provided upon request.

LIST OF NEIGHBORING CHARTER SCHOOL CLIENTS

In addition to the charter schools listed below, we also audit several school districts in the Counties of Santa Barbara, Ventura and Los Angeles.

Charter School Non-Profit	County	Years Audited
Clear Passage Educational Center	Los Angeles	2015-16 through present
Compass Charter Schools (3 schools)	Multiple	2012-13 through present
Crete Academy	Los Angeles	2017-18 through present
Da Vinci RISE High	Los Angeles	2017-18 through present
Da Vinci Schools (4 schools)	Los Angeles	2008-09 through present
El Camino Real Charter High School	Los Angeles	2019-20 through present
Fenton Charter Public Schools (5 schools)	Los Angeles	2019-20 through present
High Tech Los Angeles (2 schools)	Los Angeles	2019-20 through present
Lennox Math, Science & Technology Academy	Los Angeles	2017-18 through present
Los Angeles Academy of Arts & Enterprise	Los Angeles	2013-14 through present
Los Angeles College Prep Academy	Los Angeles	2018-19 through present
New Heights Charter School	Los Angeles	2014-15 through present
PazLo Education Foundation (2 schools)	Los Angeles	New in 2020-21
We the People Public Schools	Los Angeles	New in 2020-21

LIST OF CHARTER SCHOOL CLIENTS WITH EXED

Our firm works with a full range of business offices from internal operations to an array of back-office/business services providers, such as ExED.

Charter School Non-Profit	County	Years Audited
EJE Academies (2 schools)	San Diego	2006-07 through present
Elevate Elementary School	San Diego	2014-15 through present
Empower Charter School	San Diego	2014-15 through present
New Heights Charter School	Los Angeles	2014-15 through present
PazLo Education Foundation (2 schools)	Los Angeles	New in 2020-21
San Diego Global Vision Academy	San Diego	New in 2020-21
We the People Public Schools	Los Angeles	New in 2020-21
Yu Ming Charter School	Alameda	2018-19 through present

PAST PERFORMANCE (CONT.)

FULL LIST OF CALIFORNIA CHARTER SCHOOL AUDIT CLIENTS OPERATED BY NONPROFIT ORGANIZATIONS

Charter School Non-Profit	County	Years Audited
AeroSTEM Academy	Sutter	2018-19 through present
B.E.S.T. Academy	San Diego	2019-20 through present
Bitney Prep High Charter School	Nevada	New in 2020-21
Capitol Collegiate Academy	Sacramento	2019-20 through present
Clear Passage Educational Center	Los Angeles	2015-16 through present
Clovis Global Academy	Fresno	New in 2020-21
CORE Butte Charter School	Butte	2017-18 through present
CORE Charter School	Yuba	2016-17 through present
Compass Charter Schools (3 schools)	Multiple	2012-13 through present
Crete Academy	Los Angeles	2017-18 through present
Da Vinci RISE High	Los Angeles	2017-18 through present
Da Vinci Schools (4 schools)	Los Angeles	2008-09 through present
Dual Language Immersion North County	San Diego	New in 2020-21
EJE Academies (2 schools)	San Diego	2006-07 through present
El Camino Real Charter High School	Los Angeles	2019-20 through present
Elevate Elementary School	San Diego	2014-15 through present
Empower Charter School	San Diego	2014-15 through present
Excelsior Charter School	San Bernardino	2011-12 through present
Excelsior Charter School Corona-Norco	Riverside	2018-19 through present
Fenton Charter Public Schools (5 schools)	Los Angeles	2019-20 through present
Forest Charter School	Nevada	New in 2020-21
Granite Mountain Charter School	San Bernardino	2019-20 through present
Griffin Technology Academies (4 schools)	Solano	New in 2020-21
Hayward Collegiate Charter School	Alameda	2019-20 through present
High Tech High (16 schools)	San Diego	2008-09 through present
High Tech Los Angeles (2 schools)	Los Angeles	2019-20 through present
Howard Gardner Community Charter	San Diego	2012-13 through present
Humphreys College Academy of Business, Law & Education	San Joaquin	2012-13 through present
International School of Monterey	Monterey	2011-12 through present
Kidinnu Academy	San Diego	2019-20 through present
Lake County International Charter School	Lake	2016-17 through present
Lake View Charter School	Glenn	2019-20 through present
Leadership Public Schools (3 schools)	Multiple	New in 2020-21
Lennox Math, Science & Technology Academy	Los Angeles	2017-18 through present
Los Angeles Academy of Arts & Enterprise	Los Angeles	2013-14 through present
Los Angeles College Prep Academy	Los Angeles	2018-19 through present
Mojave River Academy Schools (7 schools)	San Bernardino	2018-19 through present
Monarch River Academy	San Joaquin	2019-20 through present
New Heights Charter School	Los Angeles	2014-15 through present
New School of San Francisco	San Francisco	2019-20 through present
Nevada City School of the Arts	Nevada	2018-19 through present
Old Town Academy	San Diego	2015-16 through present
Orange County Academy of Sciences and Arts (2 schools)	Orange	2018-19 through present
Oxford Preparatory Academy (2 schools)	Orange	2016-17 through present
Palisades Charter High School	Los Angeles	2018-19 through present
PazLo Education Foundation (2 schools)	Los Angeles	New in 2020-21
Provisional Accelerated Learning Academy	San Bernardino	2019-20 through present
Rising Sun Montessori	El Dorado	2014-15 through present
Riverside Preparatory School	San Bernardino	2017-18 through present
San Carlos Charter Learning Center	San Mateo	2011-12 through present
San Diego Global Vision Academy	San Diego	New in 2020-21
Santiago Middle School	Orange	2009-10 through present
School for Entrepreneurship & Technology	San Diego	New in 2020-21
Sparrow Academy	San Diego	2019-20 through present
Steele Canyon High School	San Diego	2019-20 through present
Sycamore Creek Community Charter School	Orange	2019-20 through present
Taylton High Desert Academy/Adelanto	San Bernardino	2019-20 through present
Three Rivers Charter School	Mendocino	2018-19 through present
Tree of Life Charter School	Mendocino	2018-19 through present
Twin Ridges Home Study Charter School	Nevada	New in 2020-21
Twin Rivers Charter School	Sutter	2017-18 through present
Urban Discovery Academy	San Diego	2017-18 through present
Village Charter School	Sonoma	New in 2020-21
We the People Public Schools	Los Angeles	New in 2020-21
Winship Community School	Sutter	New in 2020-21
Yuba River Charter School	Nevada	New in 2020-21
Yu Ming Charter School	Alameda	2018-19 through present

CAPACITY AND METHODOLOGY

SCOPE OF THE AUDIT

The scope of auditing services provided includes the **Annual Financial Statements** of University Preparation School at CSU Channel Islands. (the nonprofit Organization), including its charter school, and Compliance with State Audit and Federal Requirements for the fiscal year ending June 30, 2021, with options to extend through 2023.

The purpose of the financial audits is to render the following opinions and reports:

- Auditor's Opinion on the Financial Statements
- Auditor's Opinion on Internal Controls and Compliance required by *Governmental Auditing Standards*
- Auditor's Opinion on State Compliance Requirements
- Current Year Findings and Recommendations
- Status Report on Prior-Year's Findings and Recommendations

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

- Federal OMB Uniform Guidance and the Compliance Supplements, when applicable
- Other guides as required by the federal and State agencies, when applicable

RISK ASSESSMENT

CW has long taken a risk-based audit approach in our audits of LEAs for audit effectiveness and efficiency. We will perform our **Audit Risk Assessment** to include, at a minimum:

- Overall Internal control structure; precisely controls over electronic data processing systems, cash collections, cash disbursements, maintenance and operations and segregation of duties
- Compliance with Education Code and federal and state laws and regulations
- Capitalization and depreciation of assets

DOCUMENTATION OF INTERNAL CONTROL STRUCTURES

For each engagement performed, we conduct a thorough **Understanding of Internal Control Systems**, assess control risk, and suggest improvements to our clients. CW is well versed in the Risk-based Assessment Standards and will incorporate these requirements into our audit programs. Areas of **Internal Control** typically evaluated for our charter school clients include:

- | | |
|---|--|
| ➤ Cash receipting and cash management | ➤ Inventory and fixed assets |
| ➤ Purchasing and accounts payable | ➤ Attendance and compliance reporting |
| ➤ Personnel requisition/terminations and payroll processing | ➤ Financial Reporting |
| | ➤ Student body activities, if applicable |

Our examination of internal controls helps us plan our audit procedures. More importantly, we will communicate both positive control points and points where areas of improvement are needed.

CAPACITY AND METHODOLOGY (CONT.)

APPROACH TO FRAUD RISK AND TESTING

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant transaction and group of transactions and design tests to ensure the transactions are free of material errors and irregularities. Our procedures meet the fraud risk and testing requirements of the clarified Statements on Auditing Standards (SAS).

Suppose fraud is suspected or detected in the preparation of financial statements or the misappropriation of assets. In that case, CW will bring the matter to the attention of the appropriate level in the Organization. You can then take prompt action and prevent further instances from occurring as quickly as possible. We are also skilled in fraud investigations should the need arise.

MANAGEMENT DISCUSSION AND LETTERS

Christy White, Inc. (CW) believes the purpose of a quality audit is to provide management with feedback on the internal control structure's effectiveness, including the data processing systems. We will report all reportable conditions and discuss potential audit findings, observed good fiscal practices, and then recommend ways to enhance the overall effectiveness and efficiency of the Organization as a whole.

After thoroughly discussing each finding with management and incorporating the Organization's response, we will issue our final management letter. The audit findings will meet *Government Auditing Standards* and standards established by the State Controller's Office.

PLANNING AND EXIT CONFERENCE MEETINGS

CW works closely with management at various stages during the audit cycle. We will organize both group and one-on-one meetings with individuals such as the Business Manager, the Executive Director, and a governing board representative.

- Audit Planning/Entrance Meeting: During our planning phase, we discuss our proposed audit timelines, deliverables and ask for input on areas deemed "new or high risk."
- Exit Conferences: After fieldwork, we will meet with you to discuss the results of our audit work and preliminary findings, if any. We do not want you to experience "audit surprises." Timely communication is the key to a surprise free audit.
- Review of Draft Audit Reports: Upon the audit's conclusion, we provide you with a draft report (which we are happy to review with you), our findings, and the charter management's response.

We are also available to meet with you on an ad hoc basis if an issue or question arises.

CAPACITY AND METHODOLOGY (CONT.)

GENERAL AUDITING APPROACH

By following the professional standards prescribed by **Generally Accepted Auditing Standards (GAAS)** and **Government Auditing Standards**, we are confident that we are meeting our professional standards for the industry. We will conduct the audit to meet procedures required of:

- K-12 Audit Guide, as published by the State Controller's Office
- *Government Auditing Standards*, as published by the Federal Office of Management and Budget

Being a leading CPA firm in the LEA industry, we have experience working with State, and Federal agencies in the development of the K-12 audit guide, client resolution of findings, researching laws and regulations and aiding on sensitive client situations further elaborate on our **Audit Project Plan**, below are the three stages of the audit process:

THREE STAGE AUDIT PLAN

Stage 1 – Planning and Risk Assessment

Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing

Stage 3 – Drafting and Finalization of Financial Statements, Preparation of Forms 990/199

Stage 1 – Planning and Risk Assessment

We will confer with charter school personnel to discuss our plan to commence the audit. We hold an entrance conference call with representatives from the Board, Executive Director, Business/Finance office, and other department heads to discuss risk, concerns, expectations, and audit protocol. Our planning activities include:

- Reviewing and updating our understanding of the organization
- Identification of critical audit areas, plus changes to compliance areas
- Performing preliminary risk assessments
- Establishing an audit timeline
- Compiling data request lists
- Establishing agreed-upon deadlines

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant account (e.g., cash, capital assets, accounts payable, and debt) and transaction group (e.g., payroll, cash disbursements, and cash receipts).

Upon assessing audit risk, we then design audit tests to meet the overall objective of the financial statements and compliance areas free of material errors and irregularities, under the clarified Statements on Auditing Standards (SAS).

CAPACITY AND METHODOLOGY (CONT.)

GENERAL AUDITING APPROACH (CONTINUED)

Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing

CW will gain an understanding of the internal control structure of the organization for financial accounting and compliance over federal and State programs. We also evaluate electronic data, including general and application controls over financial reporting and compliance with laws and regulations.

We develop our substantive testing by utilizing the results of our internal control testing and risk assessments. As in all stages of the audit, we will communicate with the Organization to permit timely resolution of any issues found. We will hold an exit conference with the Organization to summarize our fieldwork results and review significant findings.

Stage 3 – Drafting and Finalization of Financial Statements, Preparation of Forms 990/199

CW will draft the financial statements and provide the draft and any adjusting entries to the Organization for review and approval. Reports to management will include written reports, and discussions will be held with management and the Audit and Finance Committee or Governing Board. After the audit, we will prepare the Forms 990/199, should you contract for our tax services.

YEAR-ROUND FASB STATEMENT IMPLEMENTATION AND ON-GOING ASSISTANCE

The partners at CW are thoroughly knowledgeable about FASB standards. CW has assisted all of our nonprofit audit clients, *without extra charges*, with FASB implementation, and on an on-going basis by, for example:

- **Not-for-Profit Financial Reporting Model:**
 - Providing training on implementation and impact on accounting recordkeeping
 - Providing draft financial reports
- **IASB and FASB Revenue Recognition Standards:**
 - Training on revenue recognition framework
 - Advising on the adoption of the new standards and financial statement impacts
- **Accounting for Leases**
 - Consulting on changes in accounting for leases
 - Support in financial reporting changes

CAPACITY AND METHODOLOGY (CONT.)

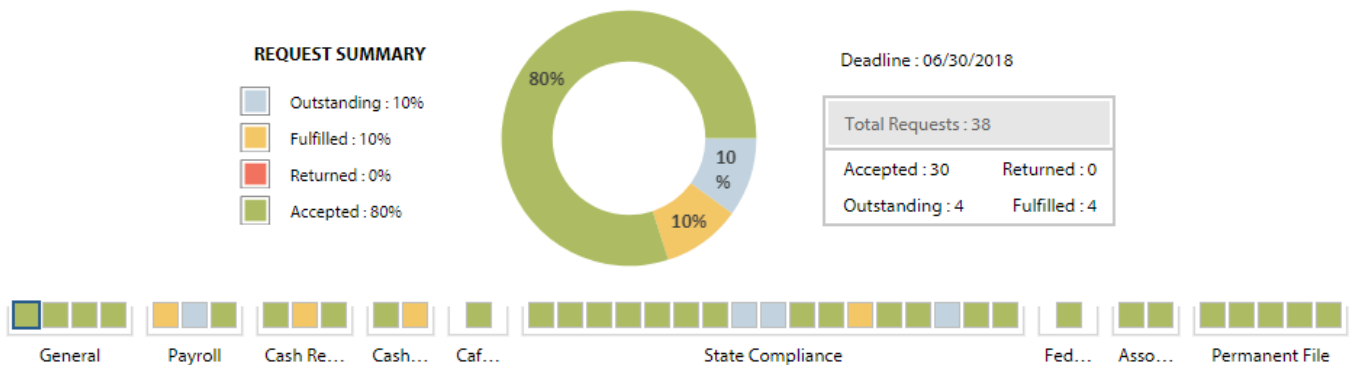
LEVEL AND NATURE OF SUPPORT REQUIRED

We conduct our audit through a combination of off-site and on-site work. We are entirely paperless and have a client portal for ease of document transmission. As such, we can make sample selections in advance of our fieldwork and conduct specific audit tests right from our office. We ask that the accounting staff be generally available to answer questions, upload documentation, and scan sampled document support throughout the audit.

SECURED PORTAL TO UPLOAD YOUR RECORDS WITH EASE

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

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



STATEMENT OF WORK

PROPOSED TIMEFRAME

The following is an estimate of the audit and tax work to be conducted each month. The final schedule would be arranged based on the planning meeting that CW holds with you and your stakeholders.

Month	Proposed Work	Percentage of Work Done
Late March – June	Audit planning; the test of internal controls and state compliance at the school site with Charter personnel	15%
June – August	Tests of internal controls, state compliance testing with ExED	22%
Late August – November	Year-end fieldwork, depending on when books are closed	35%
October – early December	Reports drafted, reviewed, and finalized	22%
No later than December 15 th	Final audit reports distributed	1%
January – May	Preparation/filing of tax forms 990/199	5%
Total		100%

Before each phase of the audit, we will discuss the upcoming work with you, provide weekly progress reports, and conduct an exit conference. The exit conference will provide you with the preliminary results of the recent work, recommendations and list any outstanding audit items.

ESTIMATED HOURS BY MAJOR WORK SEGMENT

We have reviewed the time budgets used for audits of past years to plan what we believe to be reasonable hours to complete the audit for the 2021-22 fiscal year.

Audit Work Segments	Estimated Hours of Completion	Audit Work Segments	Estimated Hours of Completion
Planning, Supervision/Review		State Compliance Testing	
Planning and Risk Assessment	4	Attendance	5
Supervision and Quality Control Review	2	Unduplicated LCFF Pupil Count	2
Contingencies/Subsequent Events	1	All Other Areas	2
Board Minutes	2	Substantive Testing Areas	
Correspondence (including Confirmations)	1	Assets (Cash, Receivables, etc.)	7
Entrance/Exit Conference	2	Liabilities (Accounts Payable, Loans, etc.)	5
Internal Control Review/Transaction Testing		Net Assets	1
Interviews and Risk Assessment	2	Revenues	6
Cash Disbursements & Payroll	6	Expenses	4
Cash Receipts	3	Report Preparation and Review	
Journal Entries	2	Audit Reports Review and Opinions	10
		Management Letters/Secretarial	3
		Total Audit Hours	70

Cont'd next col.

PROPOSED FEES

FEE STRUCTURE FOR UNIVERSITY PREPARATION SCHOOL AT CSU CHANNEL ISLANDS

The proposed fees are all-inclusive and will not change unless there are significant changes in the scope of the audit or tax services proposed, as imposed by state or federal agencies or directly requested by the Organization. Audit fees increase per year at a rate of five percent for Cost of Living Adjustment (COLA). We do not bill for advisory services related to the audit or an application of accounting standards. We encourage our clients to contact us at any time year-round for free advice on general finance and accounting issues.

We propose to conduct the audit engagement and submit the audit reports in compliance with the instructions provided by the State Controller's Office. The fee schedule below includes a list of personnel by classification assigned to the audits, indicating the estimated number of hours and rate per hour for the audits.

<u>Classification</u>	<u>Billing Rates</u>	<u>Estimated Hours</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Partner	\$ 230	4	\$ 920	\$ 966	\$ 1,014
Director	160	12	1,920	2,016	2,116
Supervisor	135	20	2,700	2,835	2,976
Staff	110	30	3,300	3,465	3,638
Clerical Assistant	65	4	260	273	286
		<u>70</u>			
Total Audit Fees*			\$ 9,100	\$ 9,555	\$ 10,030
Tax Preparation Fees**			1,300	1,300	1,300
Total Professional Fees			\$ 10,400	\$ 10,855	\$ 11,330

**If a Federal Single Audit under OMB Uniform Guidance (UG) becomes applicable during any given year, an additional \$4,500 will be added to the annual audit fee. A Federal Single Audit under OMB UG is applicable in any given year that the Organization expends more than \$750,000 in Federal funds.*

***Fees noted for preparation of tax returns include Federal IRS Form 990 and related schedules, California Form 199. If these are not the appropriate forms or if any additional Federal or State forms are necessary, this fee may be modified based on the client tax compliance needs (i.e. Form 990-T for reporting of taxable income).*

We will enter into an agreement with University Preparation School at CSU Channel Islands in the form of an engagement letter upon acceptance of this proposal document. We look forward to the opportunity to continue working with the University Preparation School at CSU Channel Islands. Please do not hesitate to contact us with any questions or to arrange an interview. Thank you!

Name of Accounting Firm: Christy White Inc.

Authorized By: Christy White Brook

Name: Christy White Brook, CPA, CFE

Title: President

Date: November 3, 2021



APPENDICES



INSURANCE CERTIFICATES



CAMICO MUTUAL INSURANCE COMPANY
DECLARATIONS
ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

Policy Number: CAL108463-11

Effective Date:	08/01/2021	at 12:01 A.M. Standard time at the address shown below
Expiration Date:	08/01/2022	at 12:01 A.M. Standard time at the address shown below
Retroactive Date:	08/01/2010	

Item 1 - Named Insured: Christy White Associates

Item 2 - Business Address: 348 Olive St

San Diego, CA 92103

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

Item 4 - Deductibles:	\$10,000	Per Claim Deductible
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Item 5 - Total Premium: \$36,348

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

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

PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.

CAMICO Mutual Insurance Company

Authorized Representative



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/25/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER PAYCHEX INSURANCE AGENCY INC 150 SAWGRASS DR ROCHESTER, NY 14620 (877) 362-6785	CONTACT NAME:	
	PHONE (A/C, No, Ext): (877) 362-6785	FAX (A/C, No): (877) 677-0447
INSURED CHRISTY WHITE ACCOUNTANCY 348 OLIVE ST SAN DIEGO, CA 92103	E-MAIL ADDRESS: paychex@travelers.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A : TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA	
	INSURER B :	
	INSURER C :	
	INSURER D :	
INSURER E :		
INSURER F :		
NAIC #		

COVERAGES **CERTIFICATE NUMBER:** 277586640551732 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> _____ GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/>						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		UB-3N212888-21	08/15/2021	08/15/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER CHRISTY WHITE ACCOUNTANCY 348 OLIVE ST SAN DIEGO, CA 92103	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Michael J. Mulligan</i>
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CHRIWHI-01

CBARC

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/21/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Fusco & Orsini Insurance Services, Inc. 5095 Murphy Canyon Road, Suite 200 San Diego, CA 92123	CONTACT NAME:		
	PHONE (A/C, No, Ext):	(858) 384-1506	FAX (A/C, No): (800) 209-9298
	E-MAIL ADDRESS:	service@foagency.com	
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : AMCO Ins. Co.		19100
INSURED Christy White Accountancy Corporation 348 Olive Street San Diego, CA 92103	INSURER B :		
	INSURER C :		
	INSURER D :		
	INSURER E :		
	INSURER F :		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			ACPBPO3029469965	8/29/2021	8/29/2022	EACH OCCURRENCE	\$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 2,000,000
							GENERAL AGGREGATE	\$ 4,000,000
							PRODUCTS - COMP/OP AGG	\$ 4,000,000
								\$
								\$
								\$
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>	
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Verification of Coverage

CERTIFICATE HOLDER

CANCELLATION

Verification of Coverage	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE



QUALITY CONTROL PEER REVIEW OPINION

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

February 26, 2021

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

We have reviewed the system of quality control for the accounting and auditing practice of Christy White Associates, Inc. (the firm) in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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 Christy White Associates, Inc. in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Christy White Associates, Inc. has received a peer review rating of *pass*.



GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



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