



July 18, 2017

The Governing Board
c/o Dr. Pamela Magee, Executive Director
Palisades Charter High School
15777 Bowdoin Street
Pacific Palisades, CA 90272

Dear Board Member,

We are engaged to audit the financial statements of Palisades Charter High School Charter No. 0037 for the year ended June 30, 2017. Professional standards require that we provide you with the following information related to our audit. We also appreciated the opportunity to meet with you to discuss this information since a two-way dialogue provided valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, Government Auditing Standards and OMB Uniform Guidance (If Applicable)

As stated in our engagement letter July 18, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and the *2016-2017 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the Palisades Charter High School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance.

As part of obtaining reasonable assurance about whether the Palisades Charter High School's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with Uniform Guidance, we will examine, on a test basis, evidence about the Palisades Charter High School's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Palisades Charter High School's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Palisades Charter High School's compliance with those requirements.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. Supplementary information for the Palisades Charter High School includes LEA Organization Structure, Schedule of ADA, Schedule of Instructional Time, and Reconciliation of audit adjustments and Notes to Supplementary Information.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result 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 Organization. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We began our audit in June 2017, and expect issue our report by December 15. This information is intended solely for the use of audit committees, board of directors and management, of the Palisades Charter High School and is not intended to be, and should not be, used by anyone other than these specified parties.

Vannink, Tein, Day & Co., LLP

Rancho Cucamonga, California
July 18, 2017