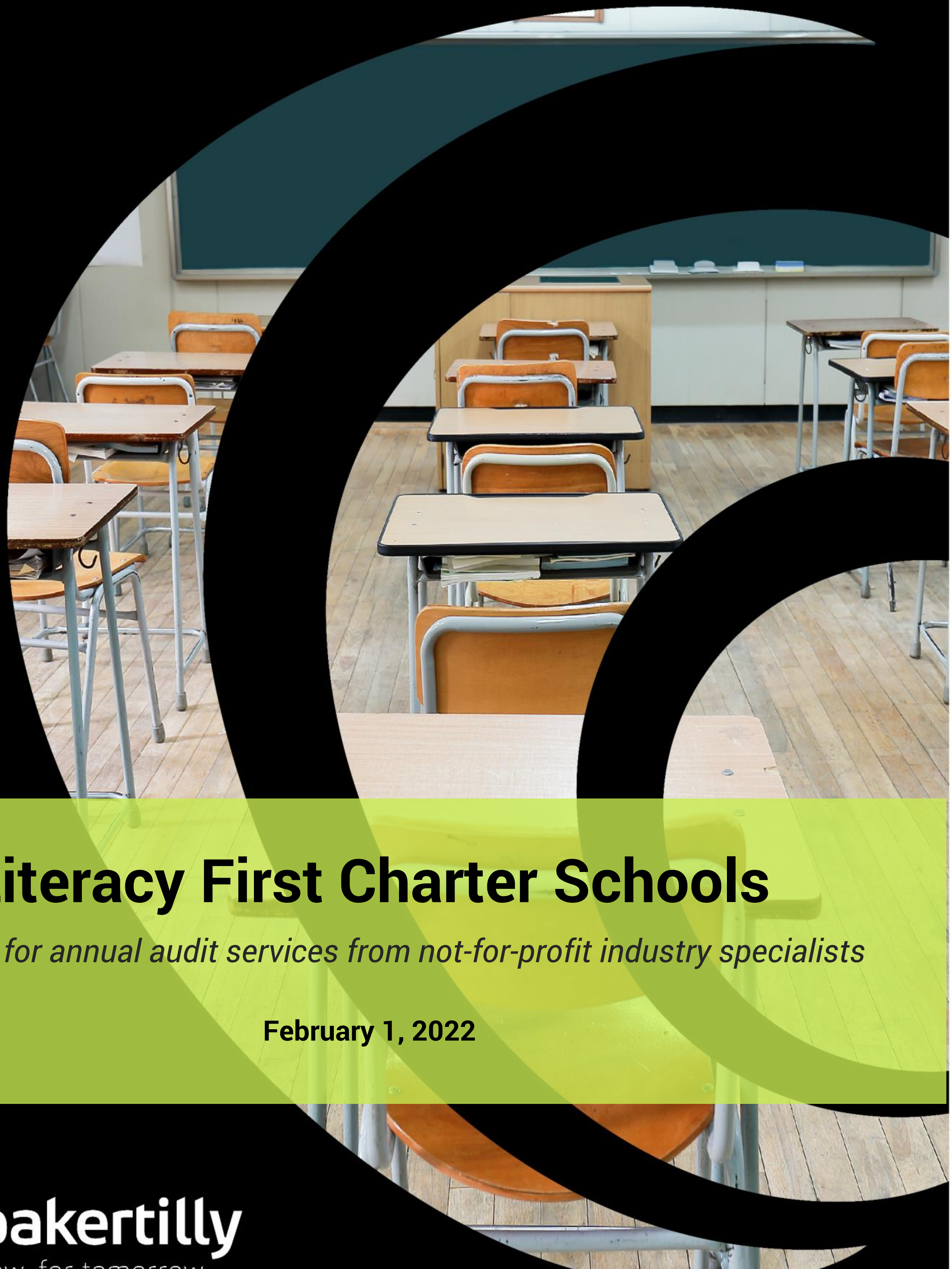

Literacy First Charter Schools

Proposal for annual audit services from not-for-profit industry specialists

February 1, 2022

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February 1, 2022

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Steve Robinson, Chief Business Officer
Literacy First Charter Schools
799 E. Washington Ave
El Cajon, CA, 92020

Dear Mr. Robinson:

Welcome! This proposal marks the beginning of a valuable relationship we plan to build with Literacy First Charter Schools (LFCS). Based on our conversations, we are confident we are the right fit to serve you with forward-thinking annual audit services — today, tomorrow and for many years to come. Our proposal describes our unique value proposition for how we plan to enhance and protect value while meeting your key objectives:

- Produce an annual independent audit report of the school's financial position for the years ending June 30, 2022-2024 that complies with the regulations of the California Education Code, California Department of Education and the California State Controller's Office and includes the school's attendance accounting, revenue claims practices and internal control practices.
- Prepare federal and state information returns, including Form 990, for the years ended June 30, 2022-2024.
- Provide a thorough and timely review of each audit report with school leadership.
- Provide timely and informative guidance to school leadership regarding the school's finances and financial compliance obligations throughout the contract.

Benefits of working with Baker Tilly include:

The right firm	The right team	The right value
LFCS will benefit from our best-of-both-worlds solution that pairs the technical qualifications, technology tools and expansive resources of the largest firms with the responsive service, personalized attention and proactive communication of smaller firms. We also have a local San Diego office to meet your needs.	With our understanding of your industry and organization, paired with experience serving more than 2,000 not-for-profit clients, LFCS receives a tailored approach. Your audit partner Jim Rotherham leads our charter and independent schools on the West Coast and will bring his knowledge of the compliance/regulatory requirements and operating challenges charter schools face.	We provide high-quality service for a fair and reasonable fee. Our significant level of partner and manager involvement translates into a responsive, efficient engagement for LFCS. We will deliver value throughout the year through complimentary thought leadership and resources.

LFCS will be a valued client of Baker Tilly, and I will be personally involved in all aspects of our relationship, from planning through completion. Thank you for the opportunity to make tangible contributions to your success. Our team is excited to earn your trust, and we look forward to discussing your questions and feedback.

Sincerely,

James A. Rotherham

Brenda Bock

Jim Rotherham, CPA, Partner
Baker Tilly US, LLP
T: +1 (858) 320 6773 | jim.rotherham@bakertilly.com

Brenda Bock, CPA, MBA, Director
Baker Tilly US, LLP
T: +1 (858) 597 4100 | brenda.bock@bakertilly.com

Serving as LFCS' Value Architect™

Clients like LFCS are the reason our team members love to work for Baker Tilly. We do not think of ourselves as accountants or advisors — that is what we do. Instead, we consider ourselves Value Architects™. It is a mindset; a set of skills, capabilities and behaviors rather than a job description.

Like an architect, we will work with LFCS to design unique blueprints for your success. We will have meaningful conversations to solve your most pressing problems. You can trust our judgment to marshal the right people and resources for whatever you need. **And we will continue to make that commitment to you, day in and day out.** We invite you to click on the video below to hear what being a Value Architect™ means at Baker Tilly.

OUR COMMITMENT TO BEING YOUR VALUE ARCHITECT™

Being your Value Architect™ means we will be there for LFCS every step of the way as your organization evolves.

Based on what we learned from you, here are some of the ways we plan to help LFCS enhance and protect your value by delivering a customized Value Architect™ approach: beginning audit work early for an efficient and timely audit that meets internal and state deadlines.

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Contents

"Baker Tilly is responsive, interactive and produces the results they say they will. We are very pleased with the services they provide and consider **Baker Tilly a leader among accounting and advisory firms.**

Controller

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Executive summary

Understanding your needs to achieve your objectives

As a not-for-profit organization dedicated to helping students K-12 become literate, life-long learners and responsible citizens, LFCS is looking for timely and thorough annual independent audit reports with informative guidance to school leadership and deserves to work with a service provider that goes beyond simply meeting requirements. You require a Value Architect™ who will enhance and protect your value — the value you have worked hard to create and grow – and offers audit services that meet your needs now and as you continue to grow.

We listened as you described LFCS' needs and relationship expectations in your RFP. The following table details our understanding of what we heard and how we plan to address your needs in a valuable way.

WHAT WE HEARD LFCS NEEDS	HOW BAKER TILLY WILL MEET YOUR NEEDS
A depth of resources to meet your evolving needs	– Ability to offer a bench strength of 6,000+ professionals, including 500 partners, as the ninth largest accounting firm in the U.S. – Direct access to global resources through Baker Tilly International, the 10th largest accounting and advisory network – Full suite of value-added consulting, accounting, tax and assurance solutions to meet your needs and grow alongside LFCS
A firm with relevant not-for-profit experience	– Specialized knowledge and direct experience gained from serving 2,000 not-for-profit clients, including more than 400 educational institutions like LFCS – Support from our not-for-profit practice group with a bench strength of 200 professionals – In-depth understanding of charter and independent schools and your most pressing, complex challenges
A responsive engagement team	– Thoughtful, strategic guidance from a consistent team who will serve you year after year — protecting and enhancing your value over the long term – Handpicked team of not-for-profit specialists who will deliver big-picture insights and best practices – Engagement team members who are leaders in industry associations and authors of thought leadership – Commitment to year-round accessibility and communication
Value for fees paid	– Competitive fee arrangement; we do not bill for every question, comment or concern – Significant partner and manager involvement to deliver timely, responsive service – Year-round training, education and insight at no additional cost – Streamlined approach that pairs technical expertise with innovative technology to add efficiencies

LFCS RECEIVES MANY BENEFITS BY CHOOSING TO WORK WITH BAKER TILLY

We understand your needs and will meet your objectives with our ability to offer valuable resources, experience and solutions.

We work closely with you, have candid conversations and implement valuable solutions together to build trust. As a sign of our commitment to building a successful relationship, we will provide:

Proactive, responsive communication We will co-develop a communication protocol to be responsive and accessible to LFCS. We do not bill for routine phone calls, and we welcome discussions year round.	**Waived transition fees** Client Name will experience an efficient transition process requiring only a modest amount of time from your internal team. We will waive all fees associated with the transition process.	**Complimentary consultations** LFCS will receive meaningful insights and solutions from our industry experience and service expertise. Your team can introduce Client Name to other firmwide specialists for complimentary consultations as your goals change.
Client-training webinars Our firm is an accredited professional training organization under National Association of State Boards of Accountancy requirements. Our webinars qualify for continuing professional education (CPE) and are free to clients.	**Industry insight and thought leadership** LFCS will receive tools, templates and resources free of charge throughout the year to help you stay one step ahead of industry trends and regulatory changes.	**Forward-thinking service solutions** LFCS will receive customized ideas from our Value Architects™ to assist you with identifying and seizing new opportunities.

INFUSING VALUE IN OUR RELATIONSHIP

Helping LFCS achieve your goals is our top priority. We will provide meaningful ways to support your success throughout our relationship.

Moving forward with next steps

If our proposal aligns with your expectations and you select Baker Tilly as LFCS’ audit services provider, here is what you can expect next:

1. **Provide LFCS with an engagement letter**
2. **Co-develop a transition timeline to onboard LFCS as our client**
3. **Schedule a kickoff call to introduce key Value Architects™**
4. **Create a customized client service plan based on your needs and begin the engagement**

LFCS RECEIVES A SMOOTH, BENEFICIAL TRANSITION PROCESS

We have experience transitioning similar not-for-profit organizations, meaning we can drive an efficient onboarding process.

Please refer to page 11 for a more detailed transition process. We are excited about the opportunity to serve you. Should LFCS need additional information for the decision-making process, we would be happy to schedule a time to discuss your questions or feedback and how our qualifications position us to best meet your needs. **Let’s face the future, together.**

Enhancing and protecting your value: our future together

We are prepared to support LFCS’ success — as evidenced by our ability to meet your needs. Our relationship-driven approach has been carefully developed over 90 years to decrease your internal staff burden, increase your cash flow, add efficiencies and reduce risk — all while meeting your deadlines on time and on budget. We will continue to deepen our understanding of your organization’s objectives and are ultimately dedicated to helping LFCS succeed with timely and thorough annual independent financial audit services. **After all, we only have one agenda: yours.**

Firm qualifications and experience

Offering our resources: Baker Tilly at a glance

We dedicate ourselves to delivering efficiency, quality, creativity, innovation and forward-thinking solutions. We are passionate about enhancing and protecting our clients' value, which is a collective effort by everyone across our firm.

LFCS will receive an exceptional experience for your governance team and — ultimately — your students. Below are some key facts about our firm.

9th	6,000	500	1,983	$1B	60+	250+
largest accounting firm in the U.S.	team members	partners	Certified Public Accountants	firm revenue in FY21	U.S. office locations	workplace and culture awards

COMPREHENSIVE EXPERIENCE TO SERVE YOU

LFCS will receive support and guidance from a respected firm that continues to grow — as evidenced by INSIDE Public Accounting naming Baker Tilly as the ninth largest accounting firm in the U.S. on their 2021 Top 400 Firms list.

Celebrating 90 years in serving our valued clients

As a future-looking firm, we celebrate 90 years in the marketplace by honoring our roots and continuing to shape our future. We embrace the fact that business can't stand still — and we won't stand still. As we help our clients identify new needs and opportunities, we innovate and change to work better. We celebrate where we came from and how far we have come – which is essential to knowing who we are and where we are headed.

90 Est. 1931

Our roots took hold in 1931 in Waterloo, Wisconsin, where we began as a public accounting firm specializing in canning factory audits. Since that time, we have grown with more than 40 different combinations, each with its own rich history, expanding our presence coast to coast and globally and our scope across industries, services and areas of expertise.

One thing has not changed in 90 years: **our shared passion for enhancing and protecting our clients' value.**

As we reimagine our lasting impact, we remain grounded in our timeless core values. Through dedication, creativity and never standing still, Baker Tilly will become more connected to our clients, our people, our communities and our profession.

Supporting you with a deep bench strength and offices across California

California is a critical geography for Baker Tilly and will only grow in importance in the years to come. Our professionals have served California-area clients for more than 50 years and support a diverse client base throughout the state, including work with other not-for-profit organizations.

Our expanding client relationships, on-the-ground local presence and knowledge of the state's unique markets are driving our explosive growth and strong position in the Golden State. We offer LFCS **more than 550 professionals across 10 offices, including more than 60 team members across two San Diego offices.**

DEPTH OF CALIFORNIA RESOURCES
LFCS will receive exceptional service with our deep bench strength of 10 offices in California.

Helping you achieve your mission with our not-for-profit specialization

As a not-for-profit organization, we know LFCS is continually looking to improve efficiencies and direct more dollars and resources to achieving your mission. Our firm's long-standing reputation for providing high-quality accounting, tax and advisory services, paired with more than 80 years of experience serving the not-for-profit industry, enables us to help you meet your specific needs and develop real outcomes to the challenges you face.

Not-for-profit focus

Because the financial needs of not-for-profits are unique, we maintain a separate practice group that:

- **Comprises approximately 200 team members**
- **Serves more than 2,000 not-for-profit organizations**
- **Performs more than 500 single audits each year, ranking us in the top three nationally among CPA firms**

Education industry specialization, including independent schools

Baker Tilly has a long history of serving a variety of organizations, but more than 50 years ago, we developed a specialty in serving education institutions nationwide. Our education team spends their time with independent and charter schools, research institutions and colleges and universities and understands the nuances of working in education.
Baker Tilly provides audit, tax and advisory services to **more than 400 educational institutions** or related organizations, including **many independent and charter schools**.

They choose Baker Tilly because of our depth of experience, industry-specific knowledge and commitment to their success. In addition, we have experience with charter schools that have contracts with public school districts and whose financial statements include a schedule of contract revenues and expenditures.

Your engagement partner Jim Rotherham leads our charter and independent school team based in California and represents one of the largest audit and tax service providers to charter schools in the state. **We work closely with the State Controller's Office and the California Department of Education** to ensure that audit issues are effectively and appropriately addressed. We also confer with FASB to help charter schools handle emerging accounting issues.

Please see below for a select list of our charter and independent school clients.

- Academy of Alameda – Acuitus, Inc.
- Amethod Public Schools
- Bay Area Educational Institute
- Berkwood Hedge School
- C5 Children's School
- Charles Armstrong School
- Discovery Charter School
- Epic Charter School
- Escuela Popular
- Global Education Collaborative
- Greenwood School
- KEY Academy
- Khan Lab School
- Leadership High School
- Leflore Legacy Academy
- Mission Vista Academy
- Montclair Community Play Center
- Plumas Charter School
- Presidio Preschool
- REACH Leadership Academy
- Ronald C. Wornick Jewish Day School
- Seven Hills School
- SLS Preschool
- Town School for Boys
- Vista Oaks Charter School

Tax capabilities

LFCS needs to be certain that its tax-exempt status is protected. As our client, you can rest assured that we have the resources to help you comply with the ever-changing IRS, state and local regulations. Baker Tilly prepares or reviews **more than 1,800 Form 990 tax returns each year**. We have a dedicated team of not-for-profit tax specialists who serve the distinct needs of these organizations. Our services include:

- Acquisition consulting
- Analyzing new laws and regulations and communicating their impact to our clients
- California Forms 199/109 and RRF-1
- Comprehensive tax planning under the COVID-19 relief bills
- Intermediate sanctions consulting
- International tax compliance
- IRS risk assessment/uncertain tax position analysis
- Real estate and property tax exemption applications and assessments
- Representation before tax authorities
- Review of state and local taxes
- Sales and use tax exemption application and consulting
- Tax compliance: Forms 990, 990-T, 990-PF, 5500, state charitable tax and registration forms
- Unrelated business taxable income consulting

Delivering the full breadth of our professional services

We offer approximately 200 not-for-profit auditors, tax specialists, forensic accountants, management consultants and risk consultants who are prepared to offer you tailored service methodologies. We have advised many not-for-profit organizations, including charter schools and higher education institutions, on various operational and strategic issues.

The services we provide to not-for-profit organizations include the following:

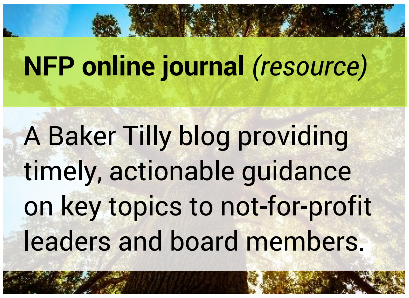
- Board of Trustees and audit committee advisory services
- Cost reduction strategies
- Disaster recovery
- Due diligence
- Employee benefit plan audit and consulting
- Enterprise Risk Management
- Financial statement audit, review and compilation
- Forensic valuation and litigation support
- Fraud investigations, forensic accounting and data mining
- Grant, contract and research management
- Human resources consulting and outsourcing
- Information technology and cybersecurity
- Internal audit
- Leadership and board development
- Management consulting and reporting
- Resource and performance optimization
- Single audit
- Strategic planning
- Succession planning
- Tax planning and compliance
- Transaction advisory

Helping LFCS stay at the forefront of the not-for-profit industry

We are committed to helping LFCS stay up to date on emerging issues and trending topics. Our team members serve in leadership positions on various boards and committees, and they regularly give educational presentations on industry and technical topics. Our firm's leadership, paired with our involvement in the below associations and conferences, will help LFCS stay at the forefront of your industry.

- American Institute of Certified Public Accountants (AICPA)
  - AICPA Governmental Audit Quality Center
  - AICPA Governing Council
  - AICPA Healthcare Revenue Recognition Task Force
- CA Charter School Association
- Coalition for Children with Special Needs
- Financial Accounting Standards Board (FASB)
- Interagency Council (IAC)
- NatCon – National Council for Behavioral Health (for the National Council of Wellbeing)
- NYS Alliance for Children with Special Needs
- NYSSCPA Not-for-Profit Organizations Committee
- Social Impact Advisory Group

Our team members will also share complimentary webinars, alerts, whitepapers, articles, case studies, events, resources and other thought leadership year-round so that you can focus on what matters most: your mission. The below examples, which are available online at bakertilly.com/notforprofit, demonstrate the value Baker Tilly can provide to LFCS.



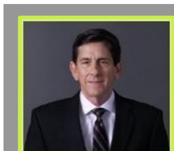
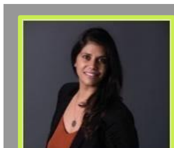
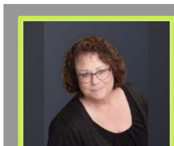
HIGHLIGHTING OUR INSIGHTS AND RESOURCES

We will help LFCS stay informed and one step ahead in the not-for-profit industry.

Your Value Architects™

Aligning key engagement team members with your goals

Your handpicked team of professionals offers a collaborative focus supported by the breadth and depth of our firm's national resources. We believe in strong personal relationships, and this means a personal interest in LFCS from some of our most experienced team members. Engagement team members are introduced below, and complete resumes are available in the **Appendix**.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR LFCS		
	**Jim Rotherham, CPA — partner**	
	Value that Jim brings to LFCS: Audit partner	***Experience***
	Jim will serve as the single point of contact for assurance service delivery. He will develop expectations and a timeline with you, execute the services as agreed upon, and ensure a high level of satisfaction.	– More than 30 years of experience serving clients in the education, not-for-profit, technology and life sciences industries
	**Michael H. Lorber, CPA –partner**	
	Value that Brenda brings to LFCS: quality review and advisory partner	***Experience***
	Michael will perform an independent quality assurance review of the financial statements, as well as provide advisory oversight on industry trends and strategic initiatives based on his expertise serving independent charter schools and other not-for-profit organizations.	– More than 35 years of business and financial management experience with not-for-profit, technology, life science and other clients
	**Brenda Bock, CPA, MBA — director**	
	Value that Brenda brings to LFCS: Audit director	***Experience***
	Brenda will coordinate audit services, oversee the work of staff/seniors and deliver seamless project management. She will also perform research on and implementation for complex accounting issues.	– More than a decade of experience serving not-for-profit organizations
	**Kathy Schmidt — senior manager**	
	Value that Kathy brings to LFCS: Tax senior manager	***Experience***
	Kathy will work with your organization to streamline compliance and implement strategic tax initiatives that minimize tax liabilities with a focus on achieving your goals.	– 10 years of experience focusing on not-for-profit organizations and providing compliance and consulting services

LFCS WILL RECEIVE TANGIBLE RESULTS WITH BAKER TILLY

All engagement team members are committed LFCS' success. Their industry experience and service expertise translates into tangible results for LFCS.

Cultivating an engaging culture to offer a consistent team for LFCS

You can expect to see the same engagement team members every year and avoid the time and cost commitments of onboarding a new team. We view our commitment to staff continuity as the cornerstone of building a lasting relationship with LFCS.

Exceptional professionals thrive at Baker Tilly because we cultivate an engaging culture through diversity and inclusion, work-life balance, continuous learning opportunities, career advancement and employee recognition.

CULTIVATING AN ENGAGING CULTURE

Our commitment to attracting and retaining a top-quality workforce benefits LFCS through engaged team members and staff continuity.

Providing a high level of partner involvement and access

LFCS can expect to have an open line of communication with and access to our engagement partner year-round. This promotes an efficient, effective audit engagement and allows us to quickly resolve any issues. Our audit partners, as well as our not-for-profit practice leader, are always available at the board's request.

Service approach

Designing a collaborative audit approach

What we do in terms of our audit approach is designed to deliver a high-quality audit. ***How*** we do it is what distinguishes our firm. To help LFCS adapt to and benefit from change, Baker Tilly works hard to be a consultative assurance ally that proactively manages risk.

Our audit approach is collaborative, industry-focused, advisory-based and considerate of your internal team every step of the way. Your Baker Tilly team members will employ a proactive, risk-based model that aligns with a specific understanding of LFCS' organization, industry, size, ownership structure and internal controls. We spend time on the front end learning about LFCS to design value-added analytics and predictive tests that provide sound evidence. This helps us share our observations and insights as part of our management letter and reporting process.

Tailoring our approach to meet your needs

An overview of our collaborative, industry-focused and advisory-based audit approach is detailed below.

I Listen and define audit objectives	II Develop customized plan	III Perform audit	IV Conclude and report
– Introduce team – Co-develop service expectations – Design shared timetable – Outline client service plan	– Intimately understand your business – Perform industry comparison – Identify risk areas – Develop customized plan	– Perform preliminary audit procedures – Perform substantive tests of details – Perform final audit procedures	– Conclude the audit and issue final report – Present audit findings and insight – Revisit service plan – Assess our performance
Key benefits	***Key benefits***	***Key benefits***	***Key benefits***
– Builds trust – Reduces burden on your staff – Establishes a shared vision – Saves time later	– Audit focus coincides with risk level to add efficiencies – Mitigates potential audit issues early on – Takes a personalized approach – Roots audit in analytics and data	– Focuses testing on unique risk areas – Technology-enabled audit supports real-time communication – Resolves challenges at the team level	– Meets deadlines on time or early – Value-added deliverables and audit opinions from a firm with a documented reputation for quality – Increases satisfaction – Builds your file for future years

Ongoing project management and communication

TAILORED AUDIT APPROACH

A high-touch audit service model assures LFCS of accessibility, reliability and a tailored approach. We will work hard to gain your trust and solve problems through open, engaging dialogue and frequent communication.

Co-developing a timeline to meet LFCS' deadlines

Your time is valuable, and one significant way we will add value to your organization is by delivering our services on time or ahead of schedule.

Below is an overview of our customized approach to successfully provide audit services. During your client service plan development, we will collaborate with LFCS to co-develop an agreed-upon service timeline that meets your needs and timing requirements.

ENGAGEMENT TIMELINE	
August 2022	– Meeting with management to discuss audit plan – Pre-audit communications with the Audit Committee – Perform preliminary fieldwork
September – October 2022	– Perform year-end fieldwork – Exit meeting with management to discuss audit and draft reports
October 2022	– Draft copies of financial statements delivered to management
Early November 2022	– Debrief with the Audit Committee – Delivery of final reports
Communication	– Throughout the engagement

COMMITMENT TO SUCCESSFULLY DELIVER AUDIT SERVICES TO MEET LFCS' REQUIREMENTS
LFCS' time is valuable. We will co-develop a timeline to provide LFCS services on time or ahead of schedule.

Working on-site or remotely

For Baker Tilly, the safety of our people and your people is paramount. We are committed to playing our part in containing COVID-19 by practicing responsible social distancing. We miss seeing our clients face-to-face, but know that virtual or remote service delivery may be the best, safest option for the time being. We are able to deliver our audit service in a completely remote manner through the use of technology if that is the safest option. The engagement team has various tools enabling them to assist you from any location. Baker Tilly professionals each receive their own laptop and remote access credentials to connect to our internal network from outside the office. When we are not able to meet in person, we have web conferencing software – including Zoom and Microsoft Teams – to quickly set up online meetings.

Additionally, we use Suralink, a secure cloud collaboration software, to work together anywhere, anytime and on any device. Suralink provides a platform for you and Baker Tilly to come together, share files, assign tasks and track activity in a secure environment. Using Suralink as a central hub of activity means we all spend less time organizing documents, chasing approvals and searching through email – and more time achieving tangible results. The platform also enables real-time communication, meaning the status of your engagement will always be available. We also recently began using Microsoft Teams, which further facilitates easier communication and project management. We are flexible in using the file-sharing and storage tools that are most convenient to our clients and welcome input into this decision, particularly in a remote environment.

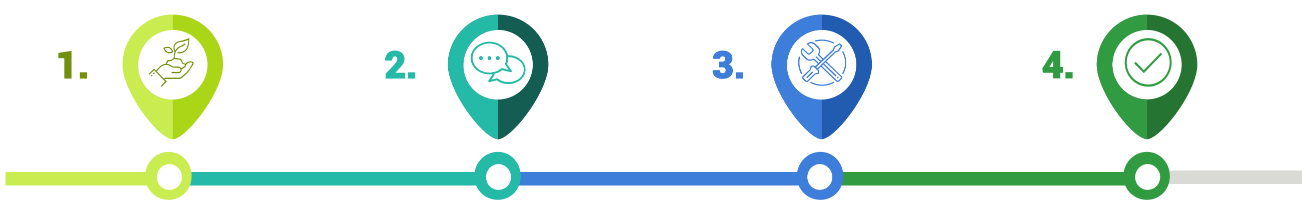
Welcoming LFCS as our client

Our team is confident we can drive an effective engagement and deliver value to LFCS from day one. As we collaborate with you for the first time, our fresh perspective can help identify relevant opportunities to improve operational efficiencies and provide insights to benefit your organization.

Leading a smooth transition

We have experience transitioning similar clients — meaning we can deliver an efficient process that requires only a modest amount of time from your governance team. You will not need to spend time explaining your organization to us because your Value Architects™ are knowledgeable about the circumstances that impact your not-for-profit operations.

Below is an overview of our customized process to successfully welcome LFCS as an audit client. We will co-develop an agreed-upon timeline at a pace that fits your needs and provide a secure location where LFCS can easily upload all data requested in our prepared-by-client list.



Sign engagement letter

- Prepare, provide and sign engagement letters

Meet the team

- Site visit (in person or remote) to plan the engagement and introduce team members
- Finalize service approach and mutual timeline
- Co-develop client service plan

Provide transition checklist

- Discuss and finalize transition checklist
- LFCS determines which documents to provide and which documents are provided by the predecessor firm

Complete transition activities

- Review predecessor working papers
- Document transition procedures as required by American Institute of Certified Public Accountant (AICPA) standards
- Perform initial risk assessment

SUPPORTING A SMOOTH AND EFFICIENT TRANSITION PROCESS

LFCS' transition is the chance to build the foundation of our strong relationship and take an innovative approach to your independent financial audit work — incorporating what is currently working while making changes to areas that can be improved.

References

Demonstrating successful relationships with similar clients

We encourage you to connect with the clients below to learn more about the value of their relationship with Baker Tilly. Each client will offer a different perspective as you consider your own needs.

Plumas Charter School			
Name	Taletha Washburn	**Title**	Executive Director
Phone	+1 (530) 283 3851	**Email**	taletha@plumascharterschool.org

Epic Charter School			
Name	Paul MacGregor	**Title**	Executive Director
Phone	+1 (657) 220 1000	**Email**	paul.macgregor@epiccharterschools.org

Amethod Public Schools			
Name	Andrew Wang	**Title**	Senior Director of Finance
Phone	+1 (510) 434 7005	**Email**	awang@amethodschools.org

PROVIDING VALUABLE PERSPECTIVES FROM CURRENT CLIENTS
At Baker Tilly, relationships matter. Our Value Architects™ have a record of successfully enhancing and protecting similar clients' value — resulting in experience-based insights for LFCS.

“

Our trusted business advisors always provide friendly, prompt and reliable service and guidance. They are very knowledgeable and help our school stay compliant with the ever-changing government reporting regulations. Our years of partnership with our auditors can be summed up with 5 letters – TRUST. I have and will continue to recommend Baker Tilly to any district looking for auditing services.

Business manager

Value for fees

Delivering a professional fee estimate for LFCS

We are excited about the opportunity to work with LFCS and have prepared the below fee estimate to meet LFCS' needs and objectives. Our fees allow for thorough and insightful advice from experienced professionals without unnecessary add-on or startup charges.

SERVICES	FEES FOR THE YEARS ENDED June 30*		
	2022	2023	2024
Audit fees	$21,995	$22,995	$23,995
Single audit	$8,000	$9,000	$10,000
Form 990 preparation fees	$2,500	$2,600	$2,700
TOTAL	$32,495	$34,595	$36.695

**Out of pocket expenses and an 6% administrative fee are charged in addition to the above fees.*

Assumptions

We based our fees on the assumptions below. If a unique issue arises, we will work with you to determine the level of assistance required and arrange an appropriate fee at that time. No surprise billing. Ever.

– Adequate support, preparedness and cooperation from management
– Organized books and timely response to inquiries or requests
– No major business or scope changes, including changes to accounting and tax standards or laws

An all-inclusive, transparent fee structure

Routine phone calls, emails and quick consultations are included in your fee estimate because we do not believe in billing for every question, comment or concern. We communicate with clients year round and encourage clients to share any new and unusual transactions with us so we can determine how they will impact the engagement. We will always tell you if the assistance required is out of scope and never perform additional work without explicit approval.

Continued conversations and an open discussion around fees

We believe our fees are competitive based on our estimate of the professional time necessary to complete the requested services. However, should our fees (or anything else) not be in line with your expectations, we would appreciate the opportunity to have an open discussion with you.

Appendix: Resumes

LFCS' handpicked engagement team members are well-versed and experienced specialists in the not-for-profit industry.

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PARTNER

James A. Rotherham, CPA

Jim is an audit partner based in our San Diego, California office and has more than 30 years of public accounting experience.

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Education

Bachelor of Science in finance and accounting
University of Pennsylvania

Jim offers our clients more than 30 years of experience in public accounting and private industry. He is leads numerous audit engagements for clients in the education industry. His specialties include audits of charter schools, school districts, local governments, Native American tribal governments, and not-for-profit organizations.

Specific experience

– Serves clients in the education, not-for-profit, technology, and life sciences industries
– Leads and manages financial statement audits
– Offers strong entrepreneurial professional skills in mergers and acquisitions, financing, revenue recognition, auditing and financial analysis
– Formerly co-founded and served as CFO of several privately owned and venture-backed technology companies, including one that he took public in 2003

Industry involvement

– Member, Financial Accounting Standards Board (FASB) Small Business Advisory Committee (SBAC)
– American Institute of Certified Public Accountants (AICPA)
– California Society of Certified Public Accountants (CalCPA)

Community involvement

– Volunteer and past Board Member, Boys and Girls Clubs of Greater San Diego

PARTNER

Michael H. Lorber, CPA

Michael Lorber, an audit partner in Baker Tilly's San Diego, California office, has more than 35 years of business and financial management experience.

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Education

Bachelor of Science in accounting
University of Illinois
(Urbana-Champaign, Illinois)

Michael joined Baker Tilly in 2005 and has led or assisted on a wide variety of public company and private sector audit client engagements. His clients include companies in a number of industries including manufacturing and distribution, technology, life science, renewable energy, medical devices and not-for-profit. He is also a specialist for employee benefit plan audits. Michael's blend of public accounting and private industry financial management experience establishes the foundation for his valuable perspective and ability to provide quality audit services with a focus and priority on clear and open communication and client service.

Specific experience

- Extensive experience working with companies ranging from development or early-stage entities to established SEC registrants
- Manages financial statement audit and review engagements
- Leads or assists on many 401k Plan, or other Employee Benefit Plan, audits, particularly with audit requirements from the Department of Labor
- Previous experience as a CFO and controller for several public and private sector companies in various industries, including life sciences, medical devices, financial services, defense contracting, and manufacturing and distribution

Industry involvement

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)

Community involvement

- Day for Change, board member
- San Diego Humane Society Audit, committee member
- Business Executives Council, board member
- CFO Roundtable in San Diego, California member

DIRECTOR

Brenda Bock, CPA, MBA

Brenda Bock is an audit director in Baker Tilly's San Diego, California office.

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Education

Master of Business Administration in accounting
Montclair State University
(Montclair, New Jersey)

Bachelor of Arts in economics and Spanish
Rutgers University
(New Brunswick, New Jersey)

Brenda has more than a decade of experience in public accounting and private industry specialization. She has significant experience performing audits of charter schools, school districts, local governments, Native American tribal governments and casinos and not-for-profit organizations.

Specific experience

– Manages several aspects of audit engagements including planning, assessment of internal controls, analytical reviews, budget preparations and audit execution
– Reviews and analyzes financial statements and related footnote disclosures to be in compliance with US GAAP
– Evaluates internal controls and develops recommendations to improve client processes, control structure and efficiency
– Communicates findings directly with senior management
– Licensed CPA in California and New Jersey

Industry involvement

– American Institute of Certified Public Accountants (AICPA)
– California Society of Certified Public Accountants (CalCPA)
– New Jersey Society of Certified Public Accountants (NJCPA)

SENIOR MANAGER

Kathy Schmidt

Kathy is a tax senior manager with nearly 40 years of public accounting experience.

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Education

Bachelor of Science in accounting
San Diego State University
(California)

Kathy is an established tax professional in our San Diego, California office. She focuses on delivering high quality tax and accounting solutions to clients. Kathy joined Baker Tilly in 2016.

Specific experience

– Specializes in tax and accounting services
– Provides compliance and consulting services to high-net-worth individuals, small businesses and not-for-profit organizations
– Highly diverse clientele throughout her career, but has spent the last 10 years focusing primarily on not-for-profit organizations, including charter and independent schools
– Prior to joining Baker Tilly, Kathy was responsible for growing the not-for-profit practice at a regional accounting firm

Appendix B: Commitment to diversity and giving back

Baker Tilly is committed to diversity, inclusion and belonging, as well as giving back to our local communities

now, for tomorrow

Prioritizing Diversity, Inclusion and Belonging for Success (DIBS)

At Baker Tilly, diversity, inclusion and belonging is who we are rather than what we do. Creating an environment where all team members are valued empowers us to bring our authentic selves to work each day. When our contributions reflect our individual best, we achieve better results for JFS.

We choose to embed DIBS into all aspects of our business from strategy to operations.

From how we recruit, develop and promote team members, to the way we serve clients, manage projects and treat each other.

Belonging is a core Baker Tilly value. We foster a deep level of mutual respect where each one of us feels seen, heard, valued and connected. Each team member commits to upholding a diverse and inclusive workplace driven by fairness, compassion and equality.

Throughout the firm, you will find our DIBS philosophy and practices embedded into everything we do. We hire people who bring new perspectives and experiences. We embrace our differences and believe a more open, connected world serves everyone better. DIBS is the lens that helps us see things more broadly and lights the path for us to follow. This benefits our people, our clients and our communities.

DIBS steering committee

Baker Tilly's national DIBS steering committee is designed to strengthen our firm's culture of diversity, inclusion and belonging. Theresa Nickels, principal and general counsel, chairs this committee.

A cross-section of leaders across the firm oversee our strategy — from inclusion-related communications to accountability measures for our key diversity goals and coordination of our signature initiatives described below and on the following pages.

COMMITMENT TO DIBS
We invite JFS to listen to how we celebrate and value the contributions of every team member across our firm.

DIBS
Diversity, Inclusion and Belonging for Success

Growth and Retention of Women (GROW)

grow
growth and retention of women

Through our GROW initiative, Baker Tilly provides women valuable opportunities to network, share their stories, acquire skills, strengthen professional relationships and advance in their careers. Our commitment to GROW increases the number of women in management positions, enhances the retention of women at all firm levels, creates an environment where women feel empowered and supports our advocacy of advancing women in business. It also helps us share knowledge gained with clients and creates a workforce that reflects our client base.

Supporting Opportunity, Advancement and Retention for all (SOAR)

SOAR focuses on improving inclusion and increasing retention of team members of color to create a more inclusive, innovative and productive workforce. Diversity makes each of our professionals unique; inclusion is how that unique team collaborates to achieve common goals. Our SOAR strategy rests on four key pillars: talent acquisition, advancement, education and awareness, and recognition.

NexGen: joining workforce generations

Today, four generations coexist in the workplace — baby boomers, Gen X, millennials and Gen Z — and each brings unique viewpoints influenced by events and experiences in their lifetime. With NexGen, we aim to empower the next generation of team members to collaboratively engage in the firm's progress while promoting an overall investment in our future. Key components of NexGen's vision involve discovering how different generations can build rewarding professional relationships that are mutually beneficial. NexGen amplifies the voices of our firm's next generation of professionals, providing leadership and growth opportunities along the way.

PRIDE team member network

Our PRIDE team member network exists to support the LGBTQ+ community and their allies within Baker Tilly. We strive to create an open environment centered on LGBTQ+ issues and topics relevant to the workplace. This effort includes the involvement, support, understanding and acceptance from colleagues across the firm.

Racial Equity Action Plan (ACTION) and focus on social justice

Our firm developed an ACTION plan to support our strategic goal of increasing the retention of team members of color and also to create positive change in our communities and our profession. As initial steps in our plan, we convened our DIBS steering committee and formed a racial equity advisory group consisting of a diverse group of team members. We then worked closely with a highly respected consulting firm to assess the current state of our workplace as it relates to diversity, inclusion and racial equity. We used their recommendations to refine our DIBS strategic plan and inform the next steps in our journey.

Over the past year, Baker Tilly team members have taken the time to have difficult conversations and reflect deeply. Colleagues shared stories of how racism and discrimination affect their daily lives — stories they did not feel comfortable sharing before. Others gained new insight into their own unconscious biases and the steps needed to overcome them. As a firm, we are committed to continue on this learning journey and achieve tangible results together.

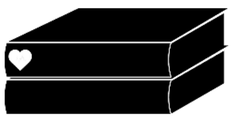
Baker Tilly Foundation support for racial justice advocacy

As a firm, we have made our position clear: we stand against racism and discrimination in any form. The Baker Tilly Foundation's board of directors, with input from our team members, recently selected key racial justice organizations as recipients of direct financial support from our firm with a commitment to match team member donations. Additionally, our local SOAR committees support social justice causes across the United States through event sponsorship, fundraising initiatives and volunteer engagement.

Focusing our charitable involvement with the Baker Tilly Foundation

"Now, for tomorrow" is not merely a tagline, it is our philosophy. We bring our philanthropic efforts together under the Baker Tilly Foundation to prioritize our commitment and inspire each other to do good every day.

The Baker Tilly Foundation focuses our charitable involvement on three pillars of philanthropy: education, health and wellness, and human services.



Education

Our profession is dynamic, innovative and growing. We are committed to helping today's students become tomorrow's generation of business advisors. This pillar includes education programs and services, scholarships, and support, including infrastructure support for competencies related to the financial services sector.

GIVING BACK WITH BAKER TILLY WISHES

We value giving back to communities, organizations and people in need. We invite you to listen to how we help our employees support causes they are passionate about.

Health and wellness

We support organizations that are dedicated to the treatment of today's diseases and disorders and seek tomorrow's prevention strategies and cures. Examples include disease and disorder prevention and cure, medical research, patient and family support, mental health and crisis services, addiction and substance abuse.

Human services

e preserve and strengthen the communities where we live and work by supporting organizations that advance human well-being, equity and inclusion and efforts to end poverty. Program examples include multipurpose human services organizations, such as the American Red Cross, United Way and YMCA/YWCA, recognizing they also may have programs outside this pillar.

> Ultimately, when you think about giving back to your communities, we are doing it in a way that we want to make a difference for the future generation.
>
> *Jennifer Soltis, Baker Tilly partner and Baker Tilly Foundation officer*

Giving back to our local communities

MAKING A DIFFERENCE FOR THE FUTURE

We invite you to listen how we put stewardship on the forefront of our organization.

One of the many things that makes Baker Tilly special is how our team members support local causes in creative ways. Throughout the year, they serve on not-for-profit boards, spearhead fundraisers that often have a personal connection and volunteer their time and talent with remarkable organizations.

As a commitment to Baker Tilly's core value of stewardship, our Southern California team members support numerous not-for-profit organizations to make our communities a better place to live and work. Additionally, Baker Tilly has two signature programs that focus on community outreach through volunteerism: Stewardship Week and Helping Enrich Relationships through Outreach (HERO) time.

Celebrating Stewardship Week in 2021

The COVID-19 outbreak caused us to rethink our approach to Stewardship Day, which has been an annual tradition since 2016, given the realities of social distancing, staggered state-mandated safer-at-home policies and our own rules around in-person gatherings. Instead of a single day of service, our firm celebrated Stewardship Week this year from August 2-6, 2021.

Team members across Baker Tilly came together during five powerful days of service to give back to a variety of local causes near and dear to our hearts. These acts of community volunteering and outreach service provide creative ways for our employees to contribute to remarkable organizations that make a difference every day.

HERO program

Our HERO program provides an additional eight hours of paid time to support causes our employees personally care about and that make a difference in their community.

Focusing our charitable involvement with the Baker Tilly Foundation

"Now, for tomorrow" is not merely a tagline, it is our philosophy. We bring our philanthropic efforts together under the Baker Tilly Foundation to prioritize our commitment and inspire each other to do good every day.

Now for Tomorrow *Scholarship*

We created the Now for Tomorrow Scholarship in honor of our firm's 90th anniversary as we look to the future and seek to make an ever-greater impact on our profession. Funded through the Baker Tilly Foundation, the scholarship supports one of our foundation's three key pillars: education. The scholarship will support students of color seeking to join our profession. A significant scholarship package and development opportunities within our firm will help promising young professionals, who often face barriers and are underrepresented in our profession.