



January 10, 2022

Board of Trustees  
Literacy First Charter School  
El Cajon, California

Thank you for giving Eide Bailly LLP the opportunity to propose on the professional audit services for Literacy First Charter School. We understand your needs and have been providing governmental auditing and specialized accounting services to our clients for over 100 years. We've served the government industry for more than 50 years and work with more than 900 government clients throughout the nation, including more than 400 school districts and charter schools. We are confident the Charter will benefit from the experience we can provide. We believe Eide Bailly is the right firm for the Charter for the following reasons:

The value of being an Eide Bailly LLP client is that we offer you the best of all worlds. We are a large, regional Top 25 firm of more than 2,500 professionals, with diverse skill sets serving clients throughout the nation. During your engagement, we will work closely with your management team to identify opportunities and provide responsive solutions that are tailored to your organization. In addition, you will experience partner and manager involvement during all phases of the engagement. At Eide Bailly LLP, we make it a priority to be accessible to our clients, which includes returning phone calls and emails in a timely manner.

Eide Bailly has devoted a substantial amount of time and resources to developing our governmental practice specifically as it relates to K-12 school district and charter schools. Our clients are provided with a high-quality audit that is both efficient and timely. Our expertise in this industry has positioned us to be a leading provider of audit services to K-12 district and charter schools throughout California.

We stay abreast of current issues impacting local educational agencies and grow our knowledge by attending workshops and trainings. During your engagement, we will work closely with your management team to identify issues and provide responsive solutions that are tailored to your organization. In addition, you will experience partner involvement during all phases of the engagement, as well as throughout the year. At Eide Bailly, we make it a priority to be accessible to our clients.

### **Charter Schools Experience**

We understand schools face a myriad of challenges, especially in these difficult economic times. Charter schools of all sizes face increasing demands for accountability, while coping with decreasing revenue sources. Charter schools in many areas are struggling to maintain quality programs and services while becoming increasingly vulnerable to state spending reductions. Other charter schools are continually planning and restructuring as student demographics fluctuate. Whatever challenges the Charter School faces, our governmental team will listen to your needs in order to gain a better understanding. This, in turn, will help you respond, adapt and operate more efficiently.



## **Audit Approach**

Our staff is passionate about their work and your success. We will customize our approach to meet your needs. Prior to beginning the engagement, we will meet with your management team to discuss:

- The engagement timeline
- The audit approach and process
- Additional considerations that may affect scope, schedules and work papers to be prepared by your personnel

During the course of our audit services, we will hold periodic meetings with your management. This continuous interchange of information will keep you fully informed and will provide us with timely information, so we can best serve your organization. We will work with your staff to deliver a quality product and limit any disruptions in your day-to-day activities. An audit project plan will be developed between our team and the Charter and then followed closely. We anticipate our services will be completed during the discussed timeframe with the final deliverable being issued by December 15.

## **Nonprofit Tax Expertise**

Our Exempt Organization Tax Practice prepares more than 2,400 federal and state information, income tax and charitable organization registration returns and filings for nonprofit organizations nationwide. Through local and National Tax Office resources, we help our clients manage their tax planning, compliance and reporting needs through proactive planning, sound advice and thorough research. Our focused knowledge and understanding of the tax laws and regulations applicable to nonprofits allows us to help clients meet their overall goals and minimize tax liabilities and risks.

The tax team will work with the audit team to avoid duplicate requests for information. We also include a member of the tax team as part of our audit planning meeting at the beginning of the engagement to share information related to changes in your organization or the environment.

The tax timeline would be based on when you want to file the Federal Form 990. Some clients prefer to use all extensions available and others prefer to file within four and a half months of year-end. Once we have discussed your preferences, we will develop a timeline for delivery that includes time for management and the Board of Directors to review the tax return prior to filing.

## **Your Service Team**

We understand local, personal service is important to our clients. You will work with a local team from the Rancho Cucamonga office that has extensive knowledge and experience in the charter school industry. Bobby Patel will lead the team and serve as Engagement Partner; Scott Gustafsson will serve as the role of technical review partner, Lori Gray will serve as the tax senior manager, and Ira Gonzalez will serve as the audit supervisor. These professionals bring strong credentials and a desire to work with Literacy First Charter School. If awarded this engagement, these individuals will serve as your primary contacts. We will complement the project team with additional resources as necessary.

We realize other firms are knowledgeable as well; however, we believe what differentiates us is personal and attentive service from all members of our service team, including partners and senior-level staff. We will get to know you and your staff and take the time to understand your specific challenges and opportunities. We pride ourselves on delivering honest and insightful advice beyond what is normally experienced in the public accounting industry.

## Timeliness

We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We will work closely with your management team to customize our audit and tax services to your needs. We believe in clear, up-front and open communication with no surprises.

## Value for Fees

You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issue and the experience level of the personnel necessary to address it. In the event you request additional services, Eide Bailly will obtain your agreement on fees before such work would commence. In other words, there will be no hidden fees.

We propose the following fee schedule based on our understanding of the scope of work and the level of involvement of Literacy First Charter School staff:

### Engagement Services and Fees

Professional Services	2022	2023	2024
Financial Statement Audit	\$27,000	\$28,000	\$29,000
Tax Return Preparation and Filing	\$2,500	\$3,000	\$3,500
<b>Total Fees</b>	<b>\$29,500</b>	<b>\$31,000</b>	<b>\$32,500</b>

## We Want to Work with You

We believe the qualifications of our firm merit serious consideration. Know that you will be a highly valued client. Our people would be proud to work with Literacy First Charter School and build a trusting relationship with your team. Please contact me at 909.755.2710 and [bpatel@eidebailly.com](mailto:bpatel@eidebailly.com) if you would like to discuss any aspect of this proposal.

Sincerely,



Bobby J. Patel, CPA, CFE  
Partner  
Eide Bailly LLP