

April 7, 2023

El Camino Real Charter High School

Forward-thinking audit and tax services from not-for-profit specialists



April 7, 2023

Gregory Wood, Chief Business Officer
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Dear Gregory:

Not-for-profit organizations like El Camino Real Charter High School (ECRCHS) often struggle with the choice of dedicating resources to programs over general expenses and management. With Baker Tilly at your side, ECRCHS can direct valuable resources toward your students while we focus on your organization's operational and financial excellence.

Based on what we have learned from you in your RFP process, we are confident we are the right fit to serve you with audit and tax services. This proposal marks the beginning of a valuable relationship we plan to build with ECRCHS and describes our unique proposition for supporting your mission while meeting your key objectives.

Benefits of working with Baker Tilly include:

The right firm

Baker Tilly's size allows our firm to be one of the few advisory CPA firms with dedicated professionals who focus all of their time on serving not-for-profit clients. ECRCHS will benefit from the qualifications, technology tools and resources of our top 10 accounting firm, delivered with personalized attention. A local presence in Southern California and responsive service.

The right team

Our not-for-profit specialists spend all of their time focused on clients like ECRCHS. This makes them proficient in identifying risks and exposure areas specific to the not-for-profit sector. Our understanding of your organization, paired with targeted training on industry-specific issues serving charter school clients, means that ECRCHS will receive a tailored approach.

The right expertise

We provide high-quality service for a fair and reasonable fee. Our significant level of partner and manager involvement will translate into a responsive, efficient engagement ECRCHS. We will deliver additional enhancements throughout the year through complimentary thought leadership, including webinars, articles and training, and continual connection and communication with your engagement team.

Your high school is important to the community you serve and the community we share. Thank you for the opportunity to serve you. Our team is excited to earn your trust, and we look forward to discussing your questions and feedback.

Sincerely,

James Rotherham, CPA
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We have multiple charter schools, which require a separate set of financial statements yet operate within the normal operations of our district. Baker Tilly made sure our audit met the requirements and worked with DPI, as our charter school operations are rather unique. Baker Tilly has given us the confidence in ourselves and our operations, along with any guidance needed to include the addition of our third charter school within our district.

Business Manager and Director at School District of Mauston



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Executive summary

What makes Baker Tilly different from other firms? We bring valuable insights and specialized expertise gained from nearly nine decades of serving not-for-profit clients like ECRCHS.

Understanding your needs to help achieve your mission

As a charter high school serving a diverse student population, ECRCHS deserves to work with dedicated not-for-profit specialists who go far beyond simply putting the right numbers in the right boxes. You require a dedicated team who will support your mission — the impact you have worked hard to create and grow — and who will offer audit and tax services that meet your needs now and as they evolve.

Not-for-profit clients like ECRCHS are central to our business, and we apply experience-based insight to help solve problems and look ahead to opportunities. The following table details how we plan to address your needs in a valuable way.

WHAT ECRCHS NEEDS	HOW BAKER TILLY WILL EXCEED YOUR EXPECTATIONS
Relevant education industry experience, specialization and expertise	<ul style="list-style-type: none"> • Specialized knowledge and direct experience gained from serving nearly 900 elementary and secondary school clients like ECRCHS • Support from more than 200 team members who are deeply entrenched in the not-for-profit industry • In-depth understanding of the unique nature of your organization and ability to proactively address your most pressing challenges • Full suite of advisory CPA services to help ECRCHS stay ahead
Responsive, collaborative engagement team dedicated to serving not-for-profit clients	<ul style="list-style-type: none"> • Thoughtful, strategic guidance from a consistent team that will serve you year after year — enhancing your impact over the long term • Handpicked not-for-profit specialists who will deliver big-picture insights and best practices • Engagement team leaders who are thought leaders in the industry and experts in serving not-for-profit organizations, including independent and charter schools • Commitment to year-round accessibility, continuity and communication • Cohesive integration between accounting, tax and advisory services
Value for fees paid	<ul style="list-style-type: none"> • Competitive fee arrangements, without additional charges for every question, comment or concern and without extra onboarding or transition costs • Significant partner and manager involvement to deliver timely service • Year-round client training, education and insights at no additional cost • Streamlined approach that pairs technical expertise with innovative technology to achieve efficiencies

YOU RECEIVE 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.

Meeting your needs with our resources

While other CPA firms may pay little attention to the not-for-profit space, Baker Tilly has doubled down on our investment in your sector. We have the reputation and the resources to dedicate to ECRCHS — both now and in the future.

Offering our resources: Baker Tilly at a glance

We dedicate ourselves to delivering efficiency, quality, creativity, innovation and forward-thinking solutions to not-for-profit clients. Baker Tilly is passionate about enhancing and protecting our clients' impact, which is a collective effort by everyone across our firm. **Our not-for-profit team maintains a separate practice group of approximately 200 team members devoted to serving clients like you.** ECRCHS will receive an exceptional experience for your school. Below are some key facts about our firm and the resources we bring to your engagement.



10th
largest accounting firm in the U.S.



6,500
team members



550
partners



2,000+
Certified Public Accountants



\$1.3B
firm revenue in FY2022



60+
U.S. office locations



250+
workplace and culture awards

COMPREHENSIVE EXPERIENCE TO SERVE YOU

ECRCHS will receive support and guidance from a respected firm that continues to grow — as evidenced by INSIDE Public Accounting naming Baker Tilly as the 10th largest accounting firm in the United States on their 2022 IPA Top 100 list.

Supporting you with deep bench strength and offices across California

ECRCHS will be a valued client, and you should expect to receive exceptional client service. To be accessible and responsive to you year-round, your engagement will be led from our California offices to minimize travel costs, strengthen the relationship and improve efficiencies.

Our expanding client relationships, on-the-ground local presence and knowledge of the state's unique requirements are driving our explosive growth and strong position in the Golden State.

We offer ECRCHS more than 550 professionals across nine offices, including three offices in the Los Angeles area.



DEPTH OF CALIFORNIA RESOURCES

ECRCHS will receive exceptional service with our deep bench strength of 9 offices in California.

Not-for-profit specialization

Not-for-profit leaders and governance teams wear many hats. Our team members support ECRCHS with reliable solutions that deliver measurable enhancements to your organization and those you serve.

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

As a charter school, we know ECRCHS is continually looking to improve efficiencies and direct more dollars and resources toward educating your students and preparing them for the future. Our firm’s long-standing reputation for providing high-quality accounting, tax and advisory services, paired with decades of experience serving the not-for-profit industry, enables us to help you meet your specific needs and develop real solutions to the challenges you face.

We serve more than 3,100 not-for-profit clients throughout the United States whose annual budgets typically range from less than \$1 million to more than \$100 million.

Serving clients like ECRCHS

Baker Tilly serves the full spectrum of clients in the not-for-profit sector, including other charter schools. A complete listing of the types of organizations we work with is provided below.

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 3,000 not-for-profit organizations
-  Performs more than 700 single audits each year, ranking us in the top three nationally among CPA firms

WE BRING IN-DEPTH EXPERIENCE SERVING THE FOLLOWING TYPES OF ORGANIZATIONS

- Affordable housing
- Agricultural and horticultural organizations
- Behavioral healthcare
- Colleges and universities
- Foundations
- Fraternal societies
- **K-12 schools**
- Labor organizations
- Museums and cultural organizations
- Primary healthcare
- Private clubs and community foundations
- Professional, membership and trade associations
- Public charities
- Relief agencies
- Religious organizations
- Residential retirement facilities
- Social service organizations
- Trusts and funds
- Voluntary health and welfare organizations

Delivering the full breadth of our professional services

Approximately 200 not-for-profit auditors, tax specialists, forensic accountants, management consultants and risk consultants stand ready to deliver a tailored service methodology for ECRCHS.

SERVICES WE PROVIDE TO NOT-FOR-PROFIT ORGANIZATIONS INCLUDE

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Board governance • Corporate registrations • 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 • Formation / dissolution | <ul style="list-style-type: none"> • Governmental relief programs (such as the Employee Retention Credit) • Grant, contract and research management • Human resources consulting and outsourcing • Information technology and cybersecurity • Internal audit • Leadership and board development • Management consulting and reporting • Property tax exemptions | <ul style="list-style-type: none"> • Public charity conversions • Public support consulting • Resource and performance optimization • Single audit • Strategic planning • Succession planning • Tax planning and compliance • Tax-exempt status reinstatements • Transaction advisory |
|--|---|---|

More information on Baker Tilly's not-for-profit specific services is available in **Appendix B**.

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

We are committed to helping ECRCHS 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 and involvement in industry associations and conferences will help ECRCHS stay at the forefront of industry trends.

Complimentary thought leadership and training to keep ECRCHS informed

Our team members will share complimentary webinars, alerts, whitepapers, articles, case studies, events, resources and insights year-round so you can focus on what matters most: your mission. We invite you to click on the below examples that demonstrate the value Baker Tilly can provide to ECRCHS. More are available online at bakertilly.com/industries/notforprofit.

Not-for-profit fiscal workshop 2022 (webinar)

NFP online journal (resource)

A Baker Tilly blog providing timely, actionable guidance on key topics to not-for-profit leaders and board members.

Gift acceptance: Thanks for the gift! Now how do I report it? (article)

2022 NFP tax and accounting update webinar (webinar)

Board and audit committee governance (resource)

How your NFP can manage cyber risk when cyber insurance costs rise (article)

Using our experience serving K-12 schools, including independent and charter schools, to tailor our ideas, insights and support for ECRCHS

We developed a specialty in serving education institutions nationwide more than 50 years ago. 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.

Today, Baker Tilly provides audit, tax and advisory services to nearly **900 elementary and secondary educational institutions** or related organizations, including **more than 145 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. Our firm supports similar clients with implementing and understanding accounting pronouncements, capital campaigns and construction and endowment disclosures. In addition, we provide ratios and analysis to assist clients in developing enrollment goals.

Because of our long-standing commitment to not-for-profits, ECRCHS will not need to spend time explaining your operations to us. Our staff is already extremely knowledgeable about not only the special needs of not-for-profit organizations, but also the needs of your K-12 organization. We understand that your time is best spent focusing on your school's mission, not getting your audit and tax team up to speed.

Charter schools are required to have an annual independent fiscal audit that is performed in accordance with generally accepted auditing standards. 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 the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) to help charter schools handle emerging accounting issues.

A SELECT LIST OF OUR CHARTER AND INDEPENDENT SCHOOL CLIENTS:

- Acuitus, Inc.
- Amethod Public Schools
- Bay Area Educational Institute
- Berkwood Hedge School
- C5 Children's School
- Charles Armstrong School
- Creative Arts Charter School
- Epic Charter School
- Escuela Popular
- Global Education Collaborative
- Heartland Charter School
- Khan Lab School
- Leadership High School
- Mission Vista Academy
- Montclair Community Play Center
- Pacific View Charter School
- Partnership to Uplift Communities (PUC Schools and Community Learning Charter Schools)
- Peninsula School
- Presidio Preschool
- REACH Leadership Academy
- Seven Hills School
- STREAM Charter School
- Town School for Boys
- Uplift California South Charter School
- Vista Oaks Charter School
- Waldorf School of the Peninsula

Your dedicated Baker Tilly team

ECRCHS will work with a consistent team who understand your organization and can enhance your mission from day one. The combination of your engagement team's not-for-profit experience and service knowledge translates into tangible results for ECRCHS.

Aligning key engagement team members with ECRCHS's goals

While other firms may not always assign their best and most experienced people to not-for-profit engagements, that is not the case at Baker Tilly. We believe in strong personal relationships, and this means a personal interest in ECRCHS from some of our most experienced team members. You will work with our best and brightest not-for-profit professionals who will be dedicated to you and the industry you serve. This handpicked team offers a collaborative focus supported by the breadth and depth of our firm's resources. Engagement team members are introduced below, and complete resumes are available in **Appendix C**.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR ECRCHS



James Rotherham, CPA — Audit partner

Jim offers our clients more than 30 years of experience in public accounting and private industry. He 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.



Brenda Bock, CPA, MBA — Concurring partner

Brenda has more than 15 years of experience in public accounting and private industry. She has significant experience performing audits of charter schools; school districts; local governments; Native American tribal governments and casinos; and not-for-profit organizations. Brenda serves on Baker Tilly's Not-for-Profit Technical committee and serves as a peer reviewer and internal inspector for the firm.



Kathy Schmidt, CPA — Tax senior manager

Kathy is an established tax professional in our San Diego, California, office. She focuses on delivering high-quality tax and accounting solutions to clients. She has worked with a diverse clientele throughout her career but has spent the last 10 years focusing primarily on not-for-profit organizations, including charter and independent schools.

ECRCHS WILL RECEIVE TANGIBLE RESULTS WITH BAKER TILLY

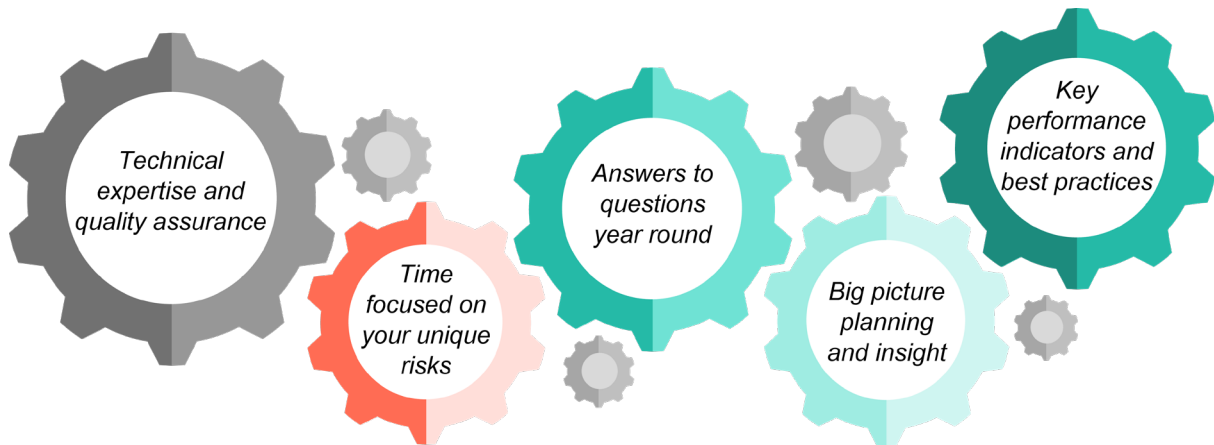
All engagement team members are committed to your success. Their industry experience and service expertise translate into tangible results for ECRCHS.

Building trust with our unique approach to staffing to demonstrate how important you are to our firm

ECRCHS will benefit from our unique approach to staffing, which emphasizes significant partner and manager involvement throughout the entire engagement process. Unlike other firms, Baker Tilly provides our top staff and most experienced team members to serve your organization. You can expect an open line of communication with and access to your senior team leaders year-round. This promotes an efficient, effective audit and tax engagement.

We will be responsive to your needs, quickly resolve challenges and build trust. You can expect to receive technical insights and an approach customized to your unique structure, culture, timing and strategic goals.

The graphic below details how we will build trust with ECRCHS.



COLLABORATING WITH YOU AS YOUR TRUSTED TEAM

Your partners and managers will be deeply involved in the engagement and develop an in-depth working knowledge of your organization and processes to deliver value throughout the year.



When you're running a not-for-profit, it's so important to get your financials validated from a trustworthy source. Baker Tilly did that for us, and on top of that reiterated the value for our donors in choosing New Horizons because of how much goes back to programs for each dollar donated. It's clear they understand our organization and believe in our mission.

Tim Hatfield, CEO | New Horizons Rehabilitation Services, Inc.

Service approach

Our relationship-driven approach is powered by technology and led by partners and managers who deliver a cost-effective, quality engagement for ECRCHS. We will deliver audit and tax solutions that address the not-for-profit industry's underlying complexities and your unique opportunities.

Designing a collaborative, integrated audit and tax approach to gain efficiencies for ECRCHS

Baker Tilly streamlines year-end procedures by approaching your engagement with an integrated team of partners and managers who will be involved in every phase of the compliance process. These partners and managers make sure your leadership does not have to wait unnecessarily for decisions to go through layers of approval.

Our integrated approach aligns our tax and audit professionals to encourage collaboration throughout all phases of the engagement. As a team, we share relevant information obtained through meetings, transactions and other sources in real time. We collaborate internally to make sure we address issues throughout the year instead of just at year-end.

Your service team will work with you to ensure your deadlines are met and there are no unexpected delays. Our methodology involves a well-organized process that results in cost and time savings for ECRCHS. Benefits include:

BENEFITS OF OUR METHODOLOGY INCLUDE:

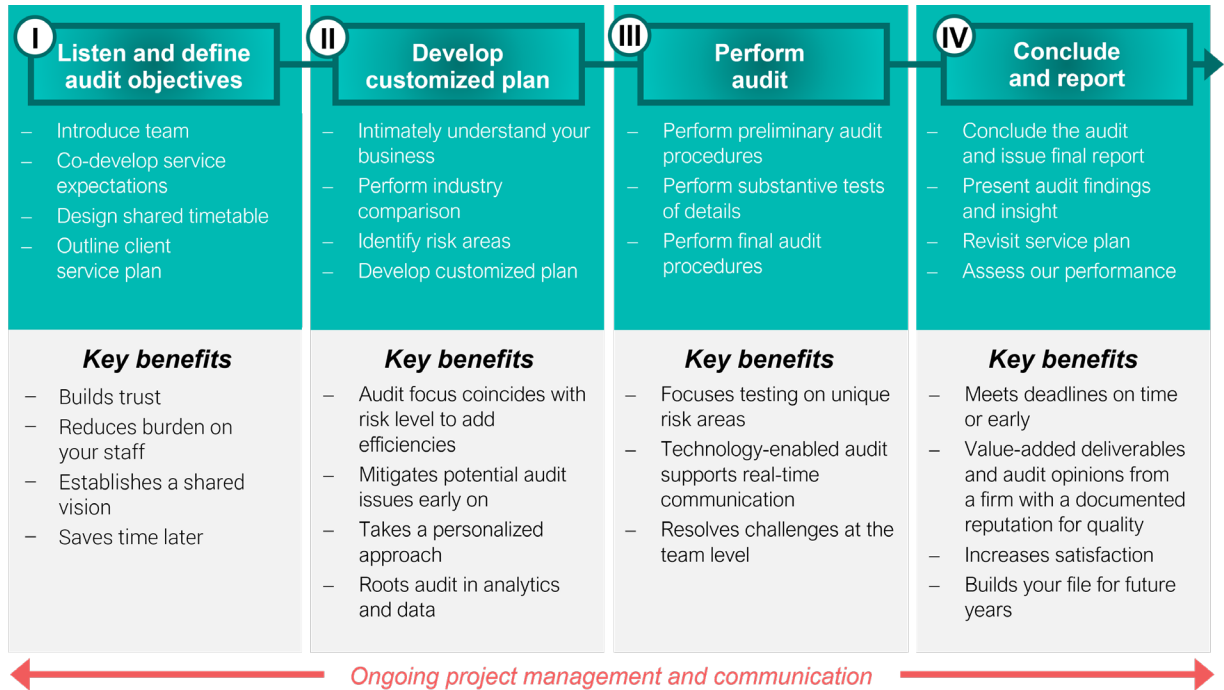
- Cost and time savings by having all team members work together and share information internally
- Cross-functional collaboration to build a customized risk and tax profiles
- Ability to leverage unique talent and skillsets to evolve and improve the engagement
- Lack of disruption for your internal team by eliminating needless, duplicative meetings or last-minute requests
- Reduction in hours required to complete your compliance work every year and reallocation of time toward valuable ideas and insights
- Team members who leverage each other's work, share information and frequently communicate to make sure we do not waste your time; for example:
 - Using CaseWare and other technology tools to populate data automatically
 - Combined prepared-by-client (PBC) list to enable Client Name to complete documentation or summarize requested work papers at the same time
- Strengthened understanding of your operations, structure, opportunities and risks

Utilizing a collaborative audit approach tailored to the not-for-profit industry

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 ECRCHS adapt to and benefit from change, Baker Tilly works hard to be a consultative assurance ally that proactively manages risk.

Tailoring our approach to meet your needs

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



TAILORED AUDIT APPROACH

A high-touch audit service model assures ECRCHS 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.

Providing tax capabilities that benefit ECRCHS

Baker Tilly specializes in serving the unique needs of tax-exempt organizations, and our engagement team members regularly help clients like ECRCHS comply with the latest federal, state, local and international regulations for tax-exempt organizations.

Our firm prepares or reviews more than 2,600 tax exempt tax clients on an annual basis. Baker Tilly’s technical tax capabilities allow us to:

2,600+

Our not-for-profit tax professionals prepare more than 2,600 tax exempt tax returns on an annual basis –adding efficiencies and value to your tax engagement.

WHAT WE WILL DO FOR ECRCHS	HOW WE WILL DO IT
Deliver effective tax strategies to fit your needs	Our industry-specialized tax professionals will not take things at face value or make unfounded assumptions. We will leverage our not-for-profit experience to appropriately respond to the nuances and needs of your organization and connect you with the right tax specialists.
Save you time	We will readily identify exposure areas and go beyond merely “checking the boxes,” as our focus is not-for-profit tax.
Share ideas	Your engagement team will execute benchmarking as part of the process.
Draw upon our expertise and experience	ECRCHS will benefit from our extensive experience completing the following tax forms: <ul style="list-style-type: none"> • Form 990, Return of Organization Exempt from Income Tax • Form 990-EZ, Short Form Return of Organization Exempt from Income Tax • Form 990-T, Exempt Organization Business Income Tax Return • Foreign Tax Reporting for U.S. Organization, including Forms 5471, 5713, 8858 and 8892
Integrate tax and audit activities	To minimize follow-up, eliminate redundancies and enable timely completion, our tax and audit professional will collaborate closely on your engagement.
Perform timely tax services	Provide ECRCHS the expertise you need when you need it.

Co-developing a timeline to meet or beat ECRCHS’ deadlines

Other advisory CPA firms may not prioritize not-for-profit work. It is often seen as “filler work,” done in the summer and at the last minute. At Baker Tilly, we adjust our approach to your timelines and prioritize your deadlines. We start work early in March instead of waiting until the last minute. We will aim to present a draft of the financials and not-for-profit tax returns at the same meeting.

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

On the following page is an overview of our customized approach to successfully provide audit and tax services to ECRCHS. During the client service plan development phase, we will collaborate with you to co-develop an agreed-upon service timeline that meets your needs and timing requirements.

SERVICE APPROACH

ACTIVITY	2023								2024	
	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Kickoff	█									
Risk and opportunity assessment	█	█								
Interim fieldwork	█	█	█							
Year-end fieldwork					█	█	█			
Tax return preparation and submission						█	█			
Audit conclusion (reporting and discussing audit results)							█	█		
Feedback and idea sharing									█	

COMMITMENT TO SUCCESSFULLY DELIVER AUDIT AND TAX SERVICES TO MEET YOUR REQUIREMENTS

ECRCHS' time is valuable. We will co-develop a timeline to provide ECRCHS services on time or ahead of schedule.



In my years of working with other auditing firms, I can assess the quality of the firm by the way they orient to the organization and the time it takes them to get up to speed. Baker Tilly came on board with a partner that really understands the not-for-profit field and a staff that has experience with organizations like us. They were up and running quickly with very few questions. The team didn't miss a beat with the audit, everything was on time, right on schedule. I was extremely impressed.

Chief Executive Officer, not-for-profit organization

Voice of our clients

We are always happy to provide references because it is important for you to talk with other schools we serve. Our similar client base equals experience-derived insights for ECRCHS.

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.

HEARTLAND CHARTER SCHOOL			
Name	Courtney McCorkle	Title	Executive Director
Phone	+1 (661) 384 6135	Email	courtney@heartlandcharterschool.com

PUC SCHOOLS			
Name	Lisa Tovar	Title	Chief Financial Officer
Phone	+1 (818) 559 7699	Email	l.tovar@pucnational.org

PROVIDING VALUABLE PERSPECTIVES FROM CURRENT CLIENTS

At Baker Tilly, relationships matter. Our team has a record of successfully enhancing and protecting similar clients' mission — resulting in experience-based insights for ECRCHS.

Value for fees

We don't just put the right numbers in the right boxes on your return or cross things off a checklist for your audit – we take pride in proactively identifying potential issues and helping you stay ahead of changes using our not-for-profit focus.

Delivering a professional fee estimate for ECRCHS

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

SERVICES	FEES*
June 30, 2023 Financial statement audit	\$30,000
Tax return preparation	\$3,000

**Fees do not include an administrative fee of 5% of the total fee.*

VALUE FOR FEES PAID

ECRCHS can expect exceptional service paired with a fair, competitive fee arrangement that allows us to deliver continuous value throughout our relationship.

Avoiding surprises and a nickel-and-dime billing approach

Routine phone calls, emails and quick consultations are included in ECRCHS' fee estimate. We do not believe in billing for every question, comment or concern, and we encourage you to discuss any unusual transactions with us to gain efficiencies for year-end.

If an issue arises, your engagement team members will work with you to determine the level of assistance required and arrange an appropriate fee at that time. We will **always** tell you if the assistance you need is out of scope, and we **never** perform additional work without approval.

Detailing our assumptions

Our estimate is based on the below assumptions. Should any of these change during the engagement, we will contact ECRCHS immediately and prepare a change order detailing the new requirements and any corresponding budget impact.

- Adequate support, preparedness and cooperation from ECRCHS' management
- Organized books and records
- Fees based on current advisory, tax and assurance standards
- No major changes in scope or organizational structure, including mergers or expansions into new markets

Appendix A: Additional qualifications

Prioritizing Diversity, Inclusion, Belonging and Societal impact (DIBS)

At Baker Tilly, DIBS 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 ECRCHS.

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.



**MEET SHANE LLOYD,
DIBS STRATEGY LEADER**
In his role as Head of Diversity, Inclusion and Belonging at Baker Tilly, Shane oversees our company's DIBS initiatives and serves on influential national diversity and inclusion boards.

Throughout our firm, you will find our DIBS philosophy and practices embedded into everything we do. We hire people who bring new perspectives and experiences, including Shane Lloyd, who joined Baker Tilly as our DIBS strategy leader in 2021. Shane was named to the Washington Business Journal's 2022 "40 under 40," a prestigious list that recognizes individuals with impressive careers who demonstrate a strong commitment to philanthropy and community building.

Shane was also selected as Program Chair to The Conference Board's Diversity, Equity and Inclusion (DEI) Strategists Council I, where he will strategize on key topics and trends to educate and connect other senior DEI leaders in the corporate space. Read more about the council [here](#).

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. [Watch this video](#) to learn more about the ways Baker Tilly celebrates diversity, inclusion and belonging and values the contributions of every team member across our firm.

DIBS steering committee

Baker Tilly's national DIBS steering committee is designed to strengthen our firm's culture of diversity, inclusion and belonging.

A cross-section of leaders across our firm oversees 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.



WE EMBED DIBS INTO ALL ASPECTS OF OUR BUSINESS
From how we recruit, develop and promote team members, to the way we serve clients and treat each other. Day in, day out.



APPENDIX A: ADDITIONAL QUALIFICATIONS

Growth and Retention of Women (GROW)



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 Recognition (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 our 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 involvement, support, understanding and acceptance from colleagues across our 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 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.

APPENDIX A: ADDITIONAL QUALIFICATIONS

Baker Tilly team members continue to take 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. We are committed to continuing on this learning journey and achieving 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. Our Baker Tilly Foundation's board of directors, with input from our team members, 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.

Baker Tilly backs Human Rights Campaign initiatives and national associations for accountants of color

In May 2022, Baker Tilly signed on to the Human Rights Campaign's Business Statement Opposing Anti-LGBTQ State Legislation and Business Coalition for Equality Act, taking a stand against legislation that would attempt to exclude LGBTQ+ people from full participation in daily life and promoting workplace equality.

Baker Tilly is also expanding our connections and alignment with key professional organizations. We are a Platinum Sponsor of the 2022 National Association of Black Accountants (NABA) National Convention and a participant in conferences for the Ascend Pan-Asian professional network and the Association of Latino Professionals in Finance and Accounting (ALPFA).

Tone from the top: CEO Action for Diversity & Inclusion

CEO **ACT!ON** FOR DIVERSITY & INCLUSION

Baker Tilly is a member of CEO Action for Diversity & Inclusion, a steering committee of CEOs focused on making diversity and inclusion a business priority. CEO Action for

Diversity & Inclusion is the most extensive alliance of business leaders openly committed to sharing successful diversity initiatives and lessons learned. **As a member, Baker Tilly pledges to:**

- Make our workplace a safe place to have open conversations about diversity and inclusion
- Implement and expand unconscious bias education
- Share best, and unsuccessful, practices
- Create and share strategic inclusion and diversity plans with our board of partners



BAKER TILLY RECOGNIZED WITH PERFECT SCORE ON CORPORATE EQUALITY INDEX

The Human Rights Campaign awarded Baker Tilly 100 points out of 100 on the 2022 Corporate Equality Index (CEI), an industry-standard measure created to evaluate corporate policies, practices and benefits that support LGBTQ+ team members.

APPENDIX A: ADDITIONAL QUALIFICATIONS

As evidence of our commitment to DIBS, examples of public recognition received in recent years are listed below.

PUBLIC RECOGNITION AND AWARDS FROM INDEPENDENT PUBLICATIONS FOR OUR DIBS EFFORTS

Associated Builders and Contractors (ABC) recently named Baker Tilly as a 2023 National Inclusion, Diversity and Equity Excellence award winner.

Named to the Forbes Best Employers for Diversity 2022 list

Winner of the 2022 Human Rights Campaign Foundation's Best Places to Work

Ranked #7 in the 2023 Vault Accounting 25, receiving special recognition for improving our diversity scores in every area, including categories for women, racial/ethnic diversity, LGBTQ+ and overall diversity ranking

Business Wire and Inside Public Accounting articles on Shane Lloyd's appointment as Baker Tilly's Head of Diversity, Inclusion and Belonging

Podcast with Shane Lloyd on diversity

Host of 2020 "Diversity Well Beyond the Theory: The 'how' in recruitment, retention and inclusion" event in Tysons, Virginia

Recognition as 2018 Corporate Partner of the Year by the National Association of Black Accountants (NABA) Metropolitan Washington, D.C. Chapter

Winner of Corp! Magazine's "Salute to Diversity" Award

Journal of Accountancy article featuring Baker Tilly's diversity initiatives: "The business case for diversity and inclusion at CPA firms"

Pennsylvania Institute of Certified Public Accountants (PICPA) article by a Baker Tilly team member discussing her experience with diversity at our firm: "CPA Now - My Experience with a Diversity Initiative"

Twin Cities Business article highlighting Baker Tilly's commitment to our GROW initiative: "All In: Hiring Women Executives"

Appendix B: Additional services

ECRCHS' service needs may evolve over time. Baker Tilly offers you a full complement of accounting, tax and advisory solutions to address any risks and challenges you may face and maximize opportunities.

Not-for-profit risks and opportunities

We have found that not-for-profit organizations face challenges in a number of unique areas. The following identifies many of the solutions we offer our clients today.

ENTERPRISE RISK MANAGEMENT AND GOVERNANCE

- | | |
|--|--|
| <ul style="list-style-type: none"> • Audit exception follow-up • Board of directors governance • Compliance and internal audit infrastructure • Compliance risk assessment • Enterprise risk assessment • Fraud risk assessment • State registration services | <ul style="list-style-type: none"> • Governance and internal controls training • Registered governance self-assessment • Internal audit best practices support and guidance • Internal audit charter development • Internal controls diagnostic • Statements on Auditing Standards (SAS) nos. 104-112 compliance |
|--|--|

FINANCIAL AND ACCOUNTING OPERATIONS

- | | |
|---|---|
| <ul style="list-style-type: none"> • Billing • Budgeting • Cash disbursements and receipts • Cost center management and tracking • Designated special-purpose funds • Due diligence • Employee compensation • Endowment accounting • Endowment transactions • Executive compensation • Executive office expenditures • Expenses | <ul style="list-style-type: none"> • External audit assistance • Fair value measurement • Financial reporting controls • Fundraising • Investment management • Not-for-profit tax Form 990 • Not-for-profit tax status and compliance • Payroll • Receivables and collections • Refunds • Restricted funds • Wire transfers |
|---|---|

OPERATIONS

- | | |
|--|--|
| <ul style="list-style-type: none"> • Business reorganization • Constituent relationship management • Construction management • Energy and utilities utilization and efficiency • Enrollment management • Facilities management • Financial disclosure • New business opportunities | <ul style="list-style-type: none"> • Operational efficiency and cost cutting • Physical security • Project risk management • Record retention • Space utilization • Stakeholder relationship management • Sustainability • Vendor and service outsourcing activities |
|--|--|

APPENDIX B: ADDITIONAL SERVICES

GRANTS, CONTRACT AND RESEARCH MANAGEMENT

- | | |
|--|---|
| <ul style="list-style-type: none">• Cost allowability, allocability and reasonableness• Effort and time reporting• Export controls• Facilities and administrative rate development• Governmental audit preparation• Grants and contracts compliance• U.S. General Services Administration (GSA) compliance | <ul style="list-style-type: none">• Individual conflicts of interest• Institutional conflicts of interest• Salary charging and effort certification• Service center rate and allocation• Sponsored research administration and compliance• Sponsored research risk assessment• Subcontractor monitoring |
|--|---|

PROCUREMENT AND ACCOUNTS PAYABLE

- | | |
|---|---|
| <ul style="list-style-type: none">• Accounts payable• Contract management• Contracting estimates and bids | <ul style="list-style-type: none">• Individual procurement• Purchasing cards (p-cards)• Vendor management |
|---|---|

HUMAN RESOURCES

- | | |
|---|--|
| <ul style="list-style-type: none">• Background check process• Benefits and administration• Benefit plan audits• Employee leave | <ul style="list-style-type: none">• Human resources operations• Retirement plan administration outsourcing• 403(b) plan issues |
|---|--|

SPECIAL INVESTIGATIONS

- | | |
|--|---|
| <ul style="list-style-type: none">• Fraud investigation• Government audit preparation | <ul style="list-style-type: none">• Whistleblower investigation |
|--|---|

Accounting software designed for not-for-profit organizations

Baker Tilly integrates and optimizes finance and accounting technology solutions for growing not-for-profit organizations. We can fill any gaps in ECRCHS' finance and accounting technology stack with our purpose-built software products or custom solutions designed specifically for you. With Baker Tilly, you gain the finance and accounting software capabilities to have a deeper insight into your organization's financial health. Additional information can be found at faas.bakertilly.com/not-for-profit.

Appendix C: Resumes

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 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

Brenda Bock, CPA, MBA

Brenda Bock is a partner 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 15 years 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. Brenda serves on Baker Tilly's Not-for-Profit Technical committee and serves as a peer reviewer and internal inspector for the firm.

Specific experience

- Manages all 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

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