



**California State University, San Bernardino  
Santos Manuel Student Union Board of Directors  
Audit Committee**

**Zoom: <https://csusb.zoom.us/j/88153481904>**

**March 18, 2026 – 3:00pm**

**AGENDA**

1. Call to Order
2. Roll Call
3. Approval of Minutes
  - a. February 12, 2026
4. Open Forum
5. Adoption of Agenda

**NEW BUSINESS**

AC 04/26      Review and Discuss Audit and Tax Services RFP Finalists (Discussion, Del Rossi)

**Announcements**

**Adjournment**



**California State University, San Bernardino  
Santos Manuel Student Union Board of Directors  
Audit Committee  
February 12, 2026**

**Minutes**

**Members Present:** Anjali, Sukhpreet Kaur, Jocelyn Paz

**Staff Present :** Vilayat Del Rossi, Elizabeth Junker, Maria Elena Najera-Neri

**Call to Order:** The meeting was called to order at 9:07am

**Roll Call:** A verbal roll call of attendees was conducted. Quorum was met.

**Approval of Minutes:** M/S Kaur/Anjali; motion to approve November 25, 2025 minutes.  
*Motion passed.*

**Open Forum:** There were no members of the community present.

**Adoption of Agenda**

M/S Kaur/Anjali; motion to adopt the agenda for February 12, 2026.  
*Motion passed.*

**NEW BUSINESS:**

AC 03/26 Financial Audit Request for Proposal Review (Discussion, Del Rossi)

M/S Kaur/Anjali ; motion to open AC 03/26 Financial Audit Request for Proposal Review.

The Audit Committee opened discussion on AC03-26 regarding the Financial Audit Report and the issuance of a Request for Proposals (RFP) for independent audit services prior to the expiration of the current contract. The RFP outlines the scope of services, minimum qualifications, regulatory and tax compliance requirements, engagement personnel expectations, fee proposals, and required timelines. Three firms, CLA (incumbent), LSL, and Baker Tilly submitted proposals by the deadline. The Audit Committee holds delegated authority from the

Board of Directors to review proposals, participate in finalist presentations, and select the audit firm, with the final selection to be reported to the Board as an informational item.

The committee discussed its role in reviewing proposals, attending finalist presentations, and evaluating firms using an established rubric. Members emphasized the importance of clear communication, defined timelines, and consistent engagement throughout the audit cycle. It was noted that proposal materials will be shared with the committee for review, finalist presentations are anticipated between late February and mid-March, and additional coordination will occur to ensure the committee is prepared to complete its evaluation within the established RFP timeline.

**Announcements**

There were no announcements from committee members.

**Adjournment**

M/S Kaur/Anjali; motion to adjourn the meeting at 9:53am.

Reviewed and respectfully submitted by:

\_\_\_\_\_  
Jocelyn Paz, Chair, Audit Committee

\_\_\_\_\_  
Date



PREPARED BY  
LSL, LLP  
Certified Public Accountants  
License Number 2584

**Proposal Presented to  
University Enterprises Corporation, CSUSB  
Philanthropic Foundation, Santos Manuel Student  
Union of California State University, San Bernardino,  
Associated Students, Inc. of California State  
University, San Bernardino, and The Children's  
Center**

**Audit & Tax Services  
Date of Submission: February 6, 2026  
Valid for 90 Days**

**Authorized By  
Jocelyn Potter, CPA, Partner  
Jocelyn.Potter@lslcpas.com  
500 Technology Drive  
Suite 350  
Irvine, CA 92618  
949-829-8299**

## Table of Contents

<b>TABLE OF CONTENTS</b> .....	<b>1</b>
<b>1. UNDERSTANDING OF THE ENGAGEMENT AND AUDIT APPROACH</b> .....	<b>2</b>
Our Understanding of the Scope of Work .....	2
Audit Methodology .....	2
<b>2. FIRM DESCRIPTION AND QUALIFICATIONS</b> .....	<b>8</b>
Firm History, Ownership, and Structure .....	8
Location Responsible for the Engagement .....	9
License to Practice in California .....	9
Number of Partners, Professional Staff, and Support Personnel .....	9
Audit and Tax-Service Philosophy .....	10
Client Portfolio Summary .....	10
<b>3. KEY ENGAGEMENT PERSONNEL</b> .....	<b>11</b>
Estimated Percentage of Time Dedicated to the Engagement by Role .....	19
<b>4. ESTIMATED HOURS AND STAFFING PLAN</b> .....	<b>19</b>
Expected Timing of Fieldwork .....	19
Allocation of on-site Versus Remote Work .....	19
Estimated Hours by Staff Level .....	21
<b>5. REFERENCES</b> .....	<b>22</b>
<b>6. FEE PROPOSAL</b> .....	<b>24</b>
Fee by Engagement .....	24
Estimated Hours and Billing Rates by Staff Classification .....	25
Firm Hourly Rates .....	26
Hourly Rates for Out-Of-Scope Services .....	26
<b>7. AUDIT SCHEDULE AND FIELDWORK TIMING</b> .....	<b>27</b>
<b>8. PEER REVIEW REPORT</b> .....	<b>27</b>
<b>9. EXCEPTIONS AND DISCLOSURES</b> .....	<b>30</b>
Independence .....	30
Desk Review / Disciplinary Action .....	30
<b>LSL HIGHLIGHTS: AWARDS &amp; VALUES</b> .....	<b>31</b>
Accounting Today Regional Leader .....	31
INSIDE Public Accounting aWARD .....	31
Best of Accounting Award .....	31
Our Core Values .....	31

## 1. Understanding of the Engagement and Audit Approach

### OUR UNDERSTANDING OF THE SCOPE OF WORK

**LSL, LLP** ("LSL") is pleased to present our proposal for audit and tax services, and we value the opportunity to present our professional qualifications to the University Enterprises Corporation (UEC), the CSUSB Philanthropic Foundation, the Santos Manuel Student Union of California State University, San Bernardino (SMSU), the Associated Students, Inc. of California State University, San Bernardino (ASI), and the Children's Center (The Center), (The "Auxiliaries").

We understand that the Auxiliaries is seeking a qualified accounting firm to provide audit and tax services for a three-year contract period, beginning with the fiscal year ended June 30, 2026, including the Single Audit, tax preparation, and technical assistance as applicable to each auxiliary throughout the contract term. This includes the following audit reports and tax filings respectively:

AUDIT REPORTS	TAX FILINGS
<ul style="list-style-type: none"><li>• Independent Auditors' Reports</li><li>• Single Audit (UEC only)</li><li>• Management Letter</li><li>• Report to the Board of Directors and Audit Committee</li></ul>	<ul style="list-style-type: none"><li>• Federal Form 990</li><li>• Federal Form 990-T, if applicable</li><li>• California Form 199</li><li>• California Form 109</li><li>• California Form RRF-1</li><li>• Annual Registration Renewal Fee Report</li></ul>

Our proposal highlights our experience in offering comprehensive audit and tax services tailored specifically to the distinct operational structures of the five CSUSB auxiliaries and outlines our firm's strength and stability, backed by our knowledgeable team who will help navigate the complexities and specific reporting requirements. Our experiences and expertise enable us to provide tailored solutions to meet the unique needs of each client and is what we believe makes us the ideal partner for the Auxiliary's audit and tax needs.

### AUDIT METHODOLOGY

We ensure each audit will be conducted independently yet efficiently under one engagement utilizing a centralized and consistent segmented approach with communication methods that support a unified, independent engagement. Each auxiliary will move through the following methodology independently to ensure there is no overlap or independence compromises. Our audit teams will not share pertinent information across Auxiliaries, workpapers are stored securely in their respective folders, and component-level documentation and findings remain restricted to each auxiliary's team overseen by the assigned Engagement Partner.

### **Project Management Methodology**

The LSL team holds itself to a high standard for timely delivery and effective communication of key milestones. We understand the importance of being responsive and communicative with our clients and we are committed to being available on a day-to-day basis to address any questions or concerns that may arise throughout the engagement. Areas of concern and potential findings will be communicated to the Auxiliary as soon as they are discovered to mitigate any surprises throughout the audit.

At the beginning of the engagement, we will hold a planning meeting to determine the timeline, expectations, and desired outcome of the agreement on the issuance of financial statements to establish expectations, timelines, milestones and information-sharing logistics. Throughout the process, we will have periodic meetings with you to provide updates and discuss progress. Upon award of contract and per the Auxiliary's requested timeline, LSL will work closely with the Auxiliary to develop an audit plan and timeline to ensure compliance and timely deliverables.

As part of the Scope of Work and time requirements, we assume that the Auxiliary will provide all necessary information needed to complete the financial statement and single audit. We will proactively identify and communicate any pending information from the Auxiliary that could hinder our ability to complete the objectives of the engagement in a timely manner.

### **Proposed Work Plan**

At LSL, we use an audit program that will be tailored to the Auxiliary's operations to accommodate its specific circumstance as a non-profit and its organizational structure. LSL's audit programs are organized by financial statement category, which we believe is the most effective and efficient approach to substantially reduce the risk of omitting important procedures, and our approach is designed to increase audit efficiency by linking financial statement assertions, audit objectives, and procedures.

LSL will conduct your audit in compliance with Generally Accepted Accounting Standards (GAAS). Our team will test your financial data, analyze it, and gain insight into your organization's internal control process and its impact on your financial reporting.

We utilize Caseware auditing software to efficiently store, review, and reconcile your documents with the trial balance, which helps us ensure accuracy and compliance. From your trial balance and any adjustments, we will prepare your financial statements in compliance with Generally Accepted Accounting Principles (GAAP) inside the Caseware software. Additionally, we will prepare footnotes based on the information provided by each Auxiliary.

### Reporting & Time Requirements

- Financial Statement Audit
  - The draft audit report will be provided by September 9<sup>th</sup>, 2026, and the final audit report will be provided no later than September 19<sup>th</sup>, 2026.
- Single Audit
  - The Single Audit draft report will be provided by October 6<sup>th</sup>, 2026 and the final report will be submitted no later than October 23, 2026.

### Proposed Segmentation

Our audit services will be divided into the three succeeding segments:

- Segment 1 – Planning and Obtaining an Understanding
- Segment 2 – Financial Audit Testing
- Segment 3 – Conclusion

#### Segment 1 – Planning and Obtaining an Understanding

LSL will provide an annual audit communication letter, engagement letter, and Government Audit Quality Center Information letter. The audit communication letter is to be provided to the Auxiliary Council and/or Board of Directors and can be communicated orally to those charged with governance, if requested, where we will discuss planning stages, responsibilities of the Auxiliary Council and/or Board of Directors, Auditors, and Management, and provide an opportunity to communicate with us as the auditors.

An entrance conference will be scheduled prior to the agreed-upon week of interim testing to ensure that the transition to new auditors is as seamless as possible. Discussions in this meeting include, but are not limited to, an understanding of reports and key milestones for deliverables, prior audit reportable conditions and issues, and “Prepared by Client” (PBC) schedules.

A trial balance is requested for our planning meeting to assist the LSL team in obtaining knowledge of economic conditions, industry elements, and new standards that may affect the Auxiliary. We will compile a list of PBC items based on our review of the prior year's financial statements and the gathered information that will be provided to the Auxiliary one month prior to testing or earlier if requested. We operate on a paperless software system and provide a secured cloud-based portal for all clients. The Auxiliary will have a separate folder that can be customized to organize, and upload requested schedules, support documents, etc.

After interim testing, we will hold an exit meeting to discuss potential weaknesses, if any, and provide feedback for improvements or valuable information gathered from any outside resources that would benefit the Auxiliary.

### **Segment 2 – Financial Audit Testing**

Based on the information gathered thus far, we will utilize a customized audit program based on the risk assessment developed during our assessment of the Auxiliary's internal controls and *Government Auditing Standards*. The primary benefit of a tailored program is a focused set of procedures to address relevant areas. We believe that this approach is both effective and efficient and is critical to compliance with other material laws and regulations.

We will annually compile another customized PBC list for the year-end testing provided at least one month prior or earlier if requested. We will request trial balances from the Auxiliary for our analytical review to be provided one week before testing is scheduled to commence. Year-end testing will include testing of the balance sheet, revenue and expenditures accounts, confirmation of selected balances, analytical procedures, evaluation of the internal controls, and preparation of reports and letters.

### **Segment 3 – Conclusion**

Based on our year-end exit meeting we will discuss a plan to finalize the financial statements according to the timetable of the Auxiliary. We will schedule dates for the initial and final drafts including time for LSL's and the Auxiliary's review and approval of the financial statements. This period will also account for review by the engagement partner and audit manager. After the review and receipt of the signed Representation Letter from the Auxiliary, LSL will provide a final report by the mutually agreed upon date each year.

### **Audit Sampling**

For tests of controls, we use audit sampling. Tests of controls are procedures directed towards determining the effectiveness of the design or operation of an internal structure policy or procedures. Audit sampling is typically used for tests of controls and compliance that involve the inspection of documents and reports indicating the performance of the applicable policy or procedures and compliance with the applicable laws and regulations. Sample sizes vary based on the population and risk-based calculations.

### **Type And Extent of Analytical Procedures**

For the audits of the financial statements, we will use analytical procedures as an overall review of the financial information in the preliminary and final stages of the audits. These procedures are designed to assist us in planning our audits and in assessing the propriety of the conclusions reached and evaluating the overall financial statement presentation.

The procedures to be utilized consist of determining expectations for changes to significant revenue, expenditure, and balance sheet accounts, reading the financial statements and related notes, reviewing the budget and related material, and focusing on overall relationships within the financial statements.

Once determined, these are reviewed to evaluate if the changes appear reasonable or require further analysis. For all significant differences, explanations are obtained as to why the situation occurred and additional substantive procedures may be applied, and related evidence is gathered to resolve concerns and questions.

### **LSL's Approach to Understanding the Auxiliary's Internal Control Structure**

LSL will perform procedures, as required by SAS 122-125, to obtain an understanding of the Auxiliary and its environment along with assessing the risks of material misstatements in order to gain insight into the internal control structure over the financial statements. Our review will encompass various areas such as financial reporting, cash, revenues and receivables, utility billing, expenses, accounts payable, payroll, capital assets, long-term debt, and grant reporting, as applicable. We will issue a management letter that identifies any significant deficiencies and/or material weaknesses found.

Based on the result of our review, we will issue a management letter (SAS 115 Letter) that will identify any significant deficiencies and/or material weaknesses noted. This report is required by the Government Auditing Standards issued by the Comptroller General of the United States. Auditing Standards require auditors to obtain an understanding of the entity and its environment along with assessing the risks of material misstatements. LSL obtains an understanding through a variety of ways throughout the year, but the most pertinent time each year is during our interim engagement meeting. The LSL team will conduct interviews with the management of finance along with each audit section responsible party (e.g., cashier, accounts payable clerk, payroll clerk, etc.) to review the processes and controls through observation and discussions. Based on our observations, we will sample transactions as part of a "walk-through" to verify the system of control is working in accordance with policies and procedures. We will provide a list of randomly selected Auxiliary employees to interview for SAS 99 fraud interviews. This list will consist of all levels and across all departments within Auxiliary.

### Single Audit

All Single Audits performed by our team strictly comply with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996. In addition, we follow the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, as well as the “Uniform Administrative Requirements, Cost Principles, and Audit for Federal Awards; Final Rule (Uniform Guidance).” This rigorous approach ensures that our audits consistently meet all federal requirements and industry standards. We recognize the importance of proper training and education for our audit personnel. Before undertaking Single Audits for our clients, all staff ranging from experienced professionals to newer team members receive comprehensive instruction on the relevant regulations and requirements. This commitment to ongoing education helps maintain the quality and integrity of our audit services. Additionally, the table below highlights examples of federal programs audited by LSL.

Federal Granting Agency	AL #	Name of Program
U.S. Department of Agriculture	10.557	Special Supplemental Nutrition Program for Women, Infant, and Children
U.S. Department of Housing & Urban Development	14.195	Section 8 Housing Assistance Payment Program
U.S. Department of Housing & Urban Development	14.218	Community Development Block Grants/Entitlement Grants
U.S. Department of Housing & Urban Development	14.228	Community Development Block Grants/State's program & Non-Entitlement Grants in Hawaii
U.S. Department of Housing & Urban Development	14.239	HOME Investment Partnerships Program
U.S. Department of Housing & Urban Development	14.856	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation
U.S. Department of Housing & Urban Development	14.871	Section 8 Housing Choice Vouchers
U.S. Department of Labor	17.258	Workforce Innovation and Opportunity Act Adult Program
U.S. Department of Labor	17.259	Workforce Innovation and Opportunity Act Youth Activities
U.S. Department of Labor	17.278	Workforce Innovation and Opportunity Act Dislocated Worker Formula Grants
U.S. Department of Transportation	20.106	Airport Improvement Program
U.S. Department of Transportation	20.205	Highway Planning and Construction
U.S. Department of Transportation	20.507	Federal Transit Formula Grants
U.S. Department of Treasury	21.019	Coronavirus Relief Fund (CRF)
U.S. Department of Treasury	21.027	Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
U.S. Environmental Protection Agency	66.458	Capitalization Grants for Clean Water State Revolving Funds
U.S. Department of Health and Human Services	93.558	Temporary Assistance for Needy Families
U.S. Department of Health and Human Services	93.563	Child Support Enforcement
U.S. Department of Health and Human Services	93.667	Social Services Block Grant
U.S. Department of Health and Human Services	93.676	Unaccompanied Alien Children Program
U.S. Department of Health and Human Services	93.778	Medical Assistant Program - Medicaid Cluster
U.S. Department of Homeland Security	97.036	Disaster Grants- Public Assistance (Presidentially Declared Disasters)
U.S. Department of Homeland Security	97.067	Homeland Security Grant Program

### **GASB Implementation**

LSL is committed to ensuring the seamless adoption of GASB pronouncements not yet in effect. As mentioned, we provide annual training sessions on new and forthcoming GASB standards available to both the Auxiliary and LSL staff to promote compliance and operational efficiency. Moreover, we can discuss a year round custom and tailored support plan designed to meet your needs to facilitate successful implementation of all applicable GASB pronouncements. This can include ongoing guidance and expertise to address any challenges and enable a smooth transition and adoption.

### **Tax Services**

LSL will also prepare the below for each Auxiliary, as applicable. These will be completed by the statutory due date of May 15 of the following calendar year. Our tax team is up to date on the current tax laws, the latest tax changes, regulations, and complex tax codes that can affect you.

- Federal Form 990
- Federal Form 990-T
- California Form 199
- California Form 109
- California Form RRF-a

### **Anticipation Of Potential Audit Problems, Roles & Responsibilities of the Auxiliary**

Outside of the complexities that arise with the implementation of GASB pronouncements, LSL does not anticipate any audit problems or conflicts in the performance of the services requested in this RFP. Our approach is to partner with our clients to provide information, training, and the resources necessary to successfully implement any new changes in accounting principles.

As mentioned previously, LSL assumes that the Auxiliary will provide all necessary information to complete the financial statement and single audit. The LSL team assigned to this engagement will help identify and communicate any pending information needed from the Auxiliary that may hinder the engagement's objectives and timely completion. Additionally, LSL assumes that the Auxiliary will have closed its books and present auditable general ledger balances.

## **2. Firm Description and Qualifications**

### **FIRM HISTORY, OWNERSHIP, AND STRUCTURE**

Established in 1929, LSL, LLP is a limited liability partnership and is not a wholly owned subsidiary of a parent company. Our full-service accounting firm is headquartered in Irvine, California, with a dynamic team of 15 partners, 4 principals, and 165 employees.

We specialize in the non-profit and government sectors. We provide auditing, accounting, and consulting services to over 100 clients, including nonprofits, educational institutions, counties, cities, water and electric utility districts, and special-purpose agencies. Our services encompass a broad range of specialties, including attestation, compliance, consulting, outsourced accounting and reporting, year-end close assistance, interim staffing, strategic planning, and tax services.

## LOCATION RESPONSIBLE FOR THE ENGAGEMENT



### Irvine, CA

500 Technology Drive, Suite 350  
Irvine, CA 92618  
Phone: (949) 829-8299

### Sacramento, CA

500 Capitol Mall., Suite 2350  
Sacramento, CA 95814  
Phone: (916) 503-9691

### Phoenix Metropolitan Area, AZ

950 W. Elliot Rd., Suite 110  
Tempe, AZ 85284  
Phone: (480) 424-7855

### The Woodlands, TX

21 Waterway Avenue, Suite 30089  
The Woodlands, TX 77380  
Phone: (936) 828-4587

The Irvine office will serve as the office responsible for the engagement; however, we regularly share staff and resources across our offices to leverage the virtual footprint of our government team that spans across the United States. This collaborative approach ensures that you receive the highest level of industry-specialized service while maintaining streamlined, reliable and comprehensive coverage.

## LICENSE TO PRACTICE IN CALIFORNIA

LSL is a public accounting firm licensed by the State of California Department of Consumer Affairs as a Public Accounting Partnership. Additionally, we are members of the American Institute of Certified Public Accountants (AICPA) and the California Society of Certified Public Accountants (CalCPA). All key members assigned to this engagement are licensed or are in the process of obtaining their license as Certified Public Accountants by the State of California.

## NUMBER OF PARTNERS, PROFESSIONAL STAFF, AND SUPPORT PERSONNEL

### Financial Statement Audit Team

There will be four assurance staff assigned to each auxiliary. One Engagement Partner, one Audit Manager, and two support staff.

### Single Audit Team

There will be four assurance staff assigned to the single audit. One Engagement Partner, one Audit Manager, one Audit In-Charge, and one support staff.

### **Tax Team**

There will be three tax staff assigned to each auxiliary. One Engagement Partner, one Tax Manager, and one support staff.

## **AUDIT AND TAX-SERVICE PHILOSOPHY**

### **Government Auditing Standards**

LSL understands its responsibilities to perform audits and issue opinions on the Auxiliary's financial statements as well as its fair presentation as well as ensure the audit is completed in a timely manner to meet all CSU and Chancellor's Office deadlines. Our financial audits are performed in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and our Single Audits are performed in accordance with the requirements of the Uniform Guidance. We will also evaluate the Auxiliary's internal control system and provide recommendations for growth and improvement.

### **Quality Management System**

LSL's Quality Management System fully complies with the AICPA's Statement of Quality Management Standards No. 1 and showcases our unwavering commitment to excellence in audit and assurance services. Designed to meet and exceed industry standards, our framework integrates robust risk management, ethical compliance, and continuous improvement across every engagement. With clear policies for governance, client relationships, resource allocation, and performance monitoring, our system empowers every team member to deliver reliable, high-quality results. By fostering a culture of transparency, accountability, and innovation, LSL ensures clients receive exceptional service and peace of mind, backed by proven processes and a dedication to quality at every level.

## **CLIENT PORTFOLIO SUMMARY**

We perform audits of higher education. In addition, we currently have multi-entity audits in the education and non-profit space, including a client group that consists of 10 entity audits. We have the staff on hand to handle this and other audits in an efficient and timely manner.

### **Key Differentiators**

Our team at LSL is highly equipped to manage the project workload efficiently. Collectively, the assigned team to each section of the engagement brings decades of experience in non-profit accounting and auditing. Our firm possesses the resources and structure backed by our proven methodologies necessary to efficiently manage concurrent multi-entity audits while consistently meeting all CSU Chancellor's Office submission deadlines as detailed in the RFP.

With a dedicated team to each aspect of the engagement supported by a tiered staffing model, we ensure that each auxiliary receives focused, independent attention without compromising efficiency or audit quality. This structure is reinforced by clearly defined roles and responsibilities, allowing us to operate multiple audit streams in parallel while maintaining centralized oversight.

To support simultaneous multi-entity engagements, we employ a coordinated audit plan that includes shared planning sessions, aligned interim and year-end fieldwork schedules, and standardized PBC and communication protocols across all auxiliaries. Early planning, proactive risk assessment, continuous communication, and collaboration with our clients are our top priorities for timely completion of deliverables for each component unit. This integrated approach enables efficient workflow management to meet fixed deadlines.

### 3. Key Engagement Personnel

Resumes for the key engagement personnel are provided on the following pages including their certifications, licenses, and years of experience. While our team has not performed audits specifically for CSU auxiliary organizations, LSL brings deep expertise in auditing and tax services for nonprofit entities and education institutions with the organizational structures, compliance requirements, and financial reporting needs that closely align with the Auxiliaries. Our experience in financial audits, Uniform Guidance (Single Audit) engagements, and advisory services for educational nonprofits, foundations, and institution-affiliated organizations equips us with the technical expertise, regulatory understanding, and operational insight necessary to effectively meet the requirements of the Auxiliaries.

#### **Staff Continuity**

To ensure the quality of our staffing, we have established firm policies that prioritize the continuity of engagement teams, except in cases where an employee has left the firm or has been promoted. In the event of any changes in staffing at the Manager position and above, LSL will first seek written permission from the Auxiliary.

#### **Quality of Staff Assurance**

LSL is committed to providing the Auxiliary with a stable and experienced team that is dedicated to delivering a high-quality audit and exceptional service. We understand the importance of maintaining a strong and reliable team throughout the engagement, and we will work closely with the Auxiliary to ensure that any staffing changes are handled with minimal disruption to the continuity of the engagement.



**JOCELYN POTTER, CPA**

Commercial Engagement Partner  
Assurance & Advisory



**LICENSE**

Certified Public Accountant

Intermediate Single Audit Certificate

Advanced Single Audit Certificate

**EDUCATION**

Bachelor of Science Degree in Business Administration, Emphasis in Accounting &

Bachelor of Science Degree in Information Systems and Decision Science, both from *California State University, Fullerton*

**CONTINUING EDUCATION**

Jocelyn has met the Accounting and Auditing CPE requirements as set out by the CA state.

**MEMBERSHIPS**

- Firm Member, PrimeGlobal
- California Society of Certified Public Accountants (CalCPA)
- American Institute of Certified Public Accountants (AICPA)

**ROLE**

Meets with key management, approves audit procedures, performs final reviews of audit work papers, and provides final approval of the audit report.

**BIOGRAPHY**

Jocelyn works with privately held businesses to strengthen audit processes, improve internal controls, and implement new systems. With dual degrees in accounting and information systems & decision science, she bridges the gap between finance and technology helping clients navigate rapidly changing regulations and the fast-paced rollout of supporting software. Her expertise includes workflow optimization, user access controls, and identifying and addressing gaps in internal controls.

In addition to her client work, Jocelyn serves on her department's committee to research, train, and implement new accounting standards. She thrives on problem-solving, whether it's troubleshooting fixed asset management software or supporting the implementation of a new ERP system.

Jocelyn's leadership style is rooted in coaching and inspiring others, fostering a sense of teamwork and shared accomplishment with both clients and colleagues. She values the sense of community in the accounting profession and enjoys collaborating with other professionals to deliver exceptional service.



### CODY POTER

Commercial Supervisor  
Assurance & Advisory



### LICENSE & CERTIFICATIONS

In-Progress

Intermediate Single Audit Certificate

Advanced Single Audit Certificate

### EDUCATION

Bachelor of Business Administration  
Degree in Accounting  
*Wichita State University*

### CONTINUING EDUCATION

Cody has met the Accounting and Auditing CPE requirements as set out by KS state.

### MEMBERSHIPS

- Firm Member, PrimeGlobal

### ROLE

Key point of contact, oversee the audit engagement and complete the technical review of the financial statements.

### BIOGRAPHY

Cody is known for his down-to-earth approach, making the audit and accounting process for clients more relatable and understandable. He specializes in non-profit and has extensive knowledge of GAAP and Auditing Standards. He possesses an in-depth understanding of the intricacies involved in managing finance departments, and he enjoys collaborating with clients to develop tailored solutions for enhancing their internal systems and procedures.



## **Ryan Domino, CPA**

GOVERNMENT ENGAGEMENT PARTNER

### **ACHIEVEMENTS**

Ryan currently serves as a technical reviewer for the Government Finance Officers Association (GFOA), and has been a presenter for CSMFO's annual conference and various chapter meetings. He has been involved with teaching current audit and accounting-related material at LSL's in-house training seminars, and annual GASB Update.

### **CONTINUING EDUCATION**

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Ryan meets the requirements for Government Auditing Standards in governmental CPE.

### **EXPERIENCE**

Ryan has over 11 years of experience in governmental auditing including financial statement audits, preparation of Annual Comprehensive Financial Reports, Housing Successor compliance audits, TDA compliance audits, Single Audits, Federal Student Financial Aid audits, and various consulting and agreed-upon procedures projects.

Ryan is one of the firm's leaders in ensuring audit quality control and Government Practice training for staff. He is a regular presenter at the firm's annual GASB Update where he has presented training to our clients on the latest GASB pronouncements and has been a presenter for CSMFO's chapter meetings and the annual CSFMO Conference.

Some of his presentations have covered:

- General auditing in accordance with GAGAS
- Accounting for capital assets
- GASB Statement Nos. 89, 90, 91, 94, 100, 101, and 102
- Fraud risks and internal controls

### **MEMBERSHIPS**

AICPA, CalCPA, CSMFO, GFOA, GFOAT

### **EDUCATION**

Bachelor of Arts Degree in Business Administration, with an emphasis in Accounting – California State University, Fullerton

### **LICENSES & CERTIFICATIONS**

Certified Public Accountant  
California  
Texas

AICPA Advanced  
Single Audit Certificate

### **AUDIT ENGAGEMENTS**

City of Agoura Hills, CA  
City of Big Bear Lake, CA  
City of Brea, CA  
City of Burbank, CA  
City of Carlsbad, CA  
City of Cathedral City, CA  
City of Chino Hills, CA  
City of Dana Point, CA  
City of Kress, TX  
City of La Quinta, CA  
City of Lompoc, CA  
City of Monrovia, CA  
City of Moorpark, CA  
City of Oceanside, CA  
City of Orange, CA  
City of Palm Desert, CA  
City of Rialto, CA  
City of Rosemead, CA  
City of San Clemente, CA  
City of San Juan Capistrano, CA  
City of Santa Monica, CA  
Monterey Peninsula Airport District  
Orange County Water District  
Orchard Dale Water District  
Rainbow Municipal Water District  
San Bernardino Muni. Water Dept.  
Three Valleys Muni. Water District  
United Water Conservation District  
Yorba Linda Water District



## **Jayme Lambert, CPA**

GOVERNMENT SENIOR MANAGER | AUDIT MANAGER

### **ACHIEVEMENTS**

Jayme oversees municipal, water districts, special districts and not-for-profit audits, as well as providing consulting for our clients. He manages our audit engagements and completes technical reviews of financial statements. He brings with him extensive experience, knowledge, and application of GAAP, Auditing Standards (GAS & GAAS), and the principles of internal accounting controls as it relates to client-specific matters.

### **CONTINUING EDUCATION**

241 total hours over the last three years, 202 of which were in governmental accounting and auditing subjects. Jayme meets the requirements of governmental CPE Government Auditing Standards.

### **EXPERIENCE**

With 10 years of experience, Jayme has performed all phases of our government audits, including water districts, other special districts, ACFR audits, successor agency audits and Single Audits.

Jayme Lambert actively contributes to LSL's processes by presenting and speaking at GFOAA conferences in Alabama. Additionally, Jayme leads LSL-ran informational webinars organized to inform and protect on industry updates.

His work has entailed:

- Assisting in the preparation of the Annual Comprehensive Financial Report
- Performing analytical and substantive audit procedures on account balances
- Planning the nature, timing and extent of procedures involved in the audit process
- Assisting clients with the preparation and review of GASB 68, 75, and 84 journal entries
- Review of capital asset, debt service, federal and state award schedules

### **MEMBERSHIPS**

AICPA, ASCPA

### **EDUCATION**

Bachelor of Science in Accounting –  
University of Alabama at Birmingham

### **LICENSE**

Certified Public Accountant  
Alabama

### **ENGAGEMENTS**

Big Bear Fire Authority  
City of Barstow  
City of Big Bear Lake  
City of Carlsbad  
City of Citrus Heights  
City of Culver City  
City of Cypress  
City of Dixon  
City of Fullerton  
City of Galt  
City of Indio  
City of Lake Elsinore  
City of Lathrop  
City of Menlo Park  
City of Oceanside  
City of Pasadena  
City of Pomona  
City of Rolling Hills  
City of Vacaville  
City of Woodland  
Santa Clarita Valley Water Agency



## **Holly Dugas, CPA**

GOVERNMENT MANAGER | AUDIT IN-CHARGE

### **ACHIEVEMENTS**

With nearly 15 years of experience, Holly has worked with counties, cities, boards of education, public utilities, and special-purpose government units helping them navigate financial statement audits, performance audits, Single Audits, and agreed-upon procedures with confidence.

### **CONTINUING EDUCATION**

130 total hours over the last three years, 86 of which were in governmental accounting and auditing subjects. Holly meets the requirements of governmental CPE Government Auditing Standards.

### **EXPERIENCE**

Holly thrives on the obstacles that come with governmental accounting and auditing. She is a go-to expert for implementing GASB standards and guiding her clients through complex engagements including Single Audits and specialized agreed-upon procedures.

Her work has entailed:

- Annual Comprehensive Financial Report preparation
- Assisting clients achieve the Government Finance Officers Association (GFOA) Award
- Assisting clients with the preparation and review of GASB 84, 87, 96 and 100 implementations.
- Review of capital assets, debt service, and federal and state grants.

### **MEMBERSHIPS**

Georgia Society of CPAs

### **EDUCATION**

Bachelor of Science in Public Relations Communication –  
Kennesaw State University, Georgia

Accounting Credentials –  
Middle Georgia State University

### **LICENSES**

Certified Public Accountant  
Georgia

### **ENGAGEMENTS**

City of Cathedral City  
City of Fullerton  
City of Barstow  
City of Newark  
City of Livingston  
El Toro Water District  
Rainbow Municipal Water District



**MICHAEL AGRESTI, MST, CPA**

Tax Engagement Partner  
Tax & Advisory



**LICENSE**

Certified Public Accountant

**EDUCATION**

Bachelor of Arts Degree in Business Administration, Emphasis in Accounting  
*California State University, Fullerton*

Master of Science in Taxation  
*California State University, Fullerton*

**CONTINUING EDUCATION**

Mike has met annual CPE requirements required by both LSL and the State of California.

**MEMBERSHIPS**

- Firm Member, PrimeGlobal
- California Society of Certified Public Accountants (CalCPA)
- American Institute of Certified Public Accountants (AICPA)
- Member, Yorba Linda Chamber of Commerce
- Member, ProGrowth
- Volunteer Auditor, local elementary PTA

**TAX RETURN PREPARATION ROLE**

Collaborates with the Assurance Team and Client to gather essential information for preparing the IRS Tax Form 990. Sources data from audited financial statements and supplemental questionnaires to ensure completeness as well as overseeing filing deadlines. Provides support in responding to notifications from taxing authorities.

**BIOGRAPHY**

Michael is a Partner in LSL's Tax & Advisory department with a knack for bringing structure to financial chaos. Messes don't worry Michael - he sees them as puzzles to solve. Whether it's untangling a complex compensation package, cleaning up multiyear reporting issues, or guiding a client through a business transition, his natural ability to organize and strategize takes over until everything makes sense again. His clients appreciate his practical advice, his ability to simplify the technical, and his commitment to being available when questions arise



**KIMBERLY MANNING, CPA**

Tax Manager  
Tax & Advisory



#### LICENSE

Certified Public Accountant

#### EDUCATION

Bachelor of Arts Degree, University of California, Los Angeles

#### CONTINUING EDUCATION

Kim has met annual CPE requirements required by both LSL and the State of California.

#### MEMBERSHIPS

- Firm Member, PrimeGlobal
- California Society of Certified Public Accountants (CalCPA)
- American Institute of Certified Public Accountants (AICPA)
- Former Technical Reviewer, Government Finance Officers Association Award for Excellence in Financial Reporting
- Member, Brea Chamber of Commerce
- Auditor and Treasurer, local PTA
- Summer Camp Counselor

#### TAX RETURN PREPARATION ROLE

Main point of contact, Collaborates with the Assurance Team and Client to gather essential information for preparing the IRS Tax Form 990. Sources data from audited financial statements and supplemental questionnaires to ensure completeness as well as overseeing filing deadlines. Provides support in responding to notifications from taxing authorities.

#### BIOGRAPHY

Kim joined LSL CPAs in 1988 working as a staff auditor, she then obtained her CPA license, and hasn't looked back. She has evolved in her career to serve as a trusted consultant for unusual client tax issues such as the establishment and dissolution of business entities. Her clients range from business improvement districts to foundations. She has a particular focus on not-for-profits regarding tax and regulatory issues, registrations and audit engagements. She enjoys the opportunity to connect with clients and their staff and see how they work. This supports a stronger base of knowledge when she and her team make recommendations.

## ESTIMATED PERCENTAGE OF TIME DEDICATED TO THE ENGAGEMENT BY ROLE

### Financial Statement Audit

Staff Level	Partner	Supervisor	Senior	Experienced Staff	Staff	Clerical
Estimated Percentage Dedicated to Audit	6%	28%	27%	7%	30%	2%

### Single Audit

Staff Level	Partner	Manager	Supervisor	Staff	Clerical
Estimated Percentage Dedicated to Audit	6%	16%	26%	50%	2%

Hours based on one (1) major program.

### Tax Preparation and Filing

Kim Manning, CPA, Manager, will be responsible for the tax filings under Michael Agresti, MST, CPA, Partner.

Staff Level	Partner	Manager	Senior
Estimated Percentage Dedicated to Tax Engagement	7%	26%	67%

## 4. Estimated Hours and Staffing Plan

### EXPECTED TIMING OF FIELDWORK

Interim fieldwork is expected to take place in June and year-end fieldwork is expected to take place in August. We intend for the Single Audit compliance testing to be performed concurrently with the financial statement audit.

### ALLOCATION OF ON-SITE VERSUS REMOTE WORK

#### Adapting to a Remote Working Relationship

LSL is always at the forefront of technology and finding ways to increase efficiency in our audits. Our goal is to effectively streamline the audit process to make the burden of an audit easier on our clients and ease any technical disagreements. LSL is fully equipped with software and communication tools to support a remote process. We leverage Microsoft Teams to easily connect over a video call in a face-to-face setting, giving us the ability to share screens and information in real-time. In an effort to reduce costs for our clients, our team has become accustomed to working remotely using remote desktop technology. It is anticipated that the work would be performed remotely.

## Electronic Data Processing Software & AI Technology

### Caseware

At LSL, we partner with and utilize **Caseware** to perform our audits and retain electronic workpapers and supporting documentation in a fully cloud-based platform. During our preparation, all financial statements and schedules are linked to Caseware and audit documentation, ensuring accuracy and consistency with Auxiliary records and eliminating the risk of manual errors.

### LSL Caseware Cloud Portal

Our web-based portal system provides clients with the ability to securely share information in a user-friendly platform. Integrated with **Caseware OnPoint Collaborate**, this state-of-the-art tool enhances collaboration in accounting and auditing. It enables direct communication with clients throughout the audit process for feedback exchange and tracks activities such as audit requests, client uploads, and progress. Access to the secure hub can be restricted to relevant individuals. This tool eliminates the necessity of sending sensitive documents via email, enhancing efficiency. Client dashboards are customizable to meet specific needs.

### Data Extraction & Audit Analytics

We believe software is only as effective as those who know how to use it. That's why we train all our staff and incorporate the use of **Caseware Analytics AI** and **IDEA** into our audit approach. These two complement each other to create a risk-based transaction analysis tool. We utilize them to scan transaction sets, identify exceptions warranting further investigation, and provide additional assurances to our clients. These tools offer users a high-level summary and reduce time spent in transaction analysis by automatically performing multiple tests on the entire transaction set. They assist in identifying duplicate payments, high-risk journal entries, and developing expectations for analytical procedures used during the audit.

## ESTIMATED HOURS BY STAFF LEVEL

### Financial Statement Audit

TOTAL PROPOSED HOURS							
Segment/Task	Partner	Supervisor	Senior	Experienced Staff	Staff	Clerical	Total
<b>Financial Audit (UEC)</b>							
Interim test work	2	16	16	0	16	0	50
Year-End test work	4	24	40	0	40	0	108
Report/Review/Supervision	2	4	8	0	0	2	16
<b>Subtotal</b>	<b>8</b>	<b>44</b>	<b>64</b>	<b>0</b>	<b>56</b>	<b>2</b>	<b>174</b>
<b>Financial Audit (CSUSB Philanthropic Foundation)</b>							
Interim test work	2	10	10	0	16	0	38
Report/Review/Supervision	2	4	4	0	0	2	12
<b>Subtotal</b>	<b>4</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>16</b>	<b>2</b>	<b>50</b>
<b>Financial Audit (Santos Manuel Student Union)</b>							
Interim test work	2	10	10	0	16	0	38
Report/Review/Supervision	2	4	4	0	0	2	12
<b>Subtotal</b>	<b>4</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>16</b>	<b>2</b>	<b>50</b>
<b>Financial Audit (Associated Students, Incorporated)</b>							
Interim test work	1	8	0	8	8	0	25
Report/Review/Supervision	1	4	0	4	0	1	10
<b>Subtotal</b>	<b>2</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>8</b>	<b>1</b>	<b>35</b>
<b>Financial Audit (Children's Center of UEC)</b>							
Interim test work	1	8	0	8	8	0	25
Report/Review/Supervision	1	4	0	4	0	1	10
<b>Subtotal</b>	<b>2</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>8</b>	<b>1</b>	<b>35</b>
<b>TOTAL PROPOSED HOURS:</b>	<b>20</b>	<b>96</b>	<b>92</b>	<b>24</b>	<b>104</b>	<b>8</b>	<b>344</b>

### Single Audit

TOTAL PROPOSED HOURS							
Segment/Task	Partner	Manager	Supervisor	Staff	Clerical	Total	
<b>Single Audit (UEC)</b>							
Year-End test work	0	0	13	25	0	38	
Report/Review/Supervision	3	8	0	0	1	12	
<b>TOTAL PROPOSED HOURS:</b>	<b>3</b>	<b>8</b>	<b>13</b>	<b>25</b>	<b>1</b>	<b>50</b>	

Hours based on one (1) major program.

Tax Preparation and Filing

TOTAL PROPOSED HOURS				
Segment/Task	Partner	Manager	Senior	Total
<b>UEC Tax Return</b>				
<b>Subtotal</b>	<b>2</b>	<b>7</b>	<b>19</b>	<b>28</b>
<b>CSUSB Philanthropic Foundation Tax Return</b>				
<b>Subtotal</b>	<b>1</b>	<b>5</b>	<b>12</b>	<b>18</b>
<b>Santos Manuel Student Union Tax Return</b>				
<b>Subtotal</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>12</b>
<b>ASI Tax Return</b>				
<b>Subtotal</b>	<b>1</b>	<b>4</b>	<b>10</b>	<b>15</b>
<b>Children's Center of UEC Tax Return</b>				
<b>Subtotal</b>	<b>1</b>	<b>4</b>	<b>10</b>	<b>15</b>
<b>TOTAL PROPOSED HOURS:</b>	<b>6</b>	<b>23</b>	<b>59</b>	<b>88</b>

5. References

San Marino School Foundation - 501(c)(3)	
Contact	Kathryn Oliveros, Executive Director
Telephone	626-299-7014
Email Address	<a href="mailto:koliveros@smsf.org">koliveros@smsf.org</a>
Date	2011 – Present
Scope of Services	Financial Statement Audit

Escondido, California Center for the Arts- 501(c)(3)	
Contact	Gina Lopez, CEO
Telephone	760-839-4138
Email Address	<a href="mailto:glopez@artcenter.org">glopez@artcenter.org</a>
Date	2011 – Present
Scope of Services	Financial Statement Audit, lease managed services, Exempt Organization Tax Return, Escondido, Audit of the Center for the Arts Foundation Charitable Trust

Whittier Christian High School- 501(c)(3)	
Contact	Shaun Glenn, CFO
Telephone	562-694-3803
Email Address	<a href="mailto:shaun@simplicityfinancial.com">shaun@simplicityfinancial.com</a>
Date	2019 – Present
Scope of Services	Financial Statement Audit, Lease managed services, ASC 842 lease adjustments, Exempt Organization Tax Return

Diversified Education (C Corporation)	
Contact	John Reitzel, CFO
Telephone	213-353-1827
Email Address	<a href="mailto:john.reitzell@deccs.org">john.reitzell@deccs.org</a>
Date	2013 – Present
Scope of Services	Financial Statement Audit, Student Financial Aid Audit

City of Pasadena – Government	
Contact	Armine Trashian, Controller
Telephone	626-744-4355
Email Address	<a href="mailto:atrashian@cityofpasadena.net">atrashian@cityofpasadena.net</a>
Date	2015 – 2019; 2023 – Present
Scope of Services	Audit of the City's ACFR which receives the GFOA award, in accordance with GASB. Audit and preparation of financial statements for the City's Discretely Presented Component Units, the Rose Bowl Operating Company, the Pasadena Center Operating Company, the Pasadena Community Access Corporation and Single Audit in accordance with OMB Uniform Guidance. Review and issue a report on the calculation of the City's Appropriations Limit (GANN), as required by Article XIII B Section 1.5 of the California Constitution

City of Santa Monica - Government	
Contact	Steve Gomez, MBA, CPA, Financial Operations Manager
Telephone	310-458-8272
Email Address	<a href="mailto:steve.gomez@santamonica.gov">steve.gomez@santamonica.gov</a>
Date	2016 - Present
Scope of Services	Audit of City's ACFR receiving the GFOA award; Single Audit; compliance audit of the City's Housing Successor; compliance audit of the City's Air Quality Management District revenues and expenditures; audit of the "Big Blue Bus" Enterprise Fund, National Transit Database (NTD) AUP; REAC submission, and application of AUP of City's GANN Limit calculation

## 6. Fee Proposal

### FEE BY ENGAGEMENT

#### Financial Statement Audit

All-Inclusive Maximum Price by Report			
Report	2025-26	2026-27	2027-28
Financial Audit (UEC)	\$45,500	\$48,000	\$50,500
Financial Audit (CSUSB Philanthropic Foundation)	\$30,500	\$32,000	\$33,500
Financial Audit (Santos Manuel Student Union)	\$30,500	\$32,000	\$33,500
Financial Audit (Associated Students, Incorporated)	\$20,500	\$21,500	\$22,500
Financial Audit (Children's Center of UEC)	\$20,500	\$21,500	\$22,500
Out-of-Pocket Expenses	<i>Included</i>	<i>Included</i>	<i>Included</i>
<b>Total for Fiscal Year (Not-to-Exceed)</b>	<b>\$147,500</b>	<b>\$155,000</b>	<b>\$162,500</b>

#### Single Audit

All-Inclusive Maximum Price by Report			
Report	2025-26	2026-27	2027-28
Single Audit (UEC)	\$13,530	\$14,210	\$14,920
Out-of-Pocket Expenses	<i>Included</i>	<i>Included</i>	<i>Included</i>
<b>Total for Fiscal Year (Not-to-Exceed)</b>	<b>\$13,530</b>	<b>\$14,210</b>	<b>\$14,920</b>

\*Price includes one (1) major program. Each additional program is \$6,800.

**Tax Preparation and Filing**

<b>All-Inclusive Maximum Price by Report</b>			
<b>Report</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
<b>UEC Tax Return</b>	\$8,380	\$8,800	\$9,240
<b>CSUSB Philanthropic Foundation Tax Return</b>	\$5,340	\$5,610	\$5,890
<b>Santos Manuel Student Union Tax Return</b>	\$3,640	\$3,820	\$4,010
<b>ASI Tax Return</b>	\$4,490	\$4,710	\$4,950
<b>Children's Center of UEC Tax Return</b>	\$4,490	\$4,710	\$4,950
<b>Total for Fiscal Year (Not-to-Exceed)</b>	<b>\$26,340</b>	<b>\$27,650</b>	<b>\$29,040</b>

*The amount for the Children's Center is an estimate that assumes that all previous tax returns have been filed.*

**ESTIMATED HOURS AND BILLING RATES BY STAFF CLASSIFICATION**

**Financial Statement Audit**

<b>Staff Level</b>	<b>Partner</b>	<b>Supervisor</b>	<b>Senior</b>	<b>Experienced Staff</b>	<b>Staff</b>	<b>Clerical</b>
<b>Hourly Rate</b>	\$590	\$315	\$250	\$210	\$190	\$110
<b>Estimated Hours</b>	20	96	92	24	104	8

**Single Audit**

<b>Staff Level</b>	<b>Partner</b>	<b>Manager</b>	<b>Supervisor</b>	<b>Staff</b>	<b>Clerical</b>
<b>Hourly Rate</b>	\$590	\$350	\$315	\$190	\$110
<b>Estimated Hours</b>	3	8	13	25	1

**Tax Return Preparation and Filing**

<b>Staff Level</b>	<b>Partner</b>	<b>Manager</b>	<b>Senior</b>
<b>Hourly Rate</b>	\$590	\$350	\$250
<b>Estimated Hours</b>	6	23	59

## FIRM HOURLY RATES

Auditor's Standard Billing Rates	2024-25	2025-26	2026-27
<b>Partner</b>	\$590	\$620	\$651
<b>Director</b>	\$465	\$489	\$514
<b>Senior Manager</b>	\$410	\$431	\$453
<b>Manager</b>	\$350	\$368	\$387
<b>Supervisor</b>	\$315	\$331	\$348
<b>Senior Accountant</b>	\$250	\$263	\$277
<b>Experienced Staff</b>	\$210	\$221	\$233
<b>Staff Accountant</b>	\$190	\$200	\$210
<b>Clerical</b>	\$110	\$116	\$122

### Price Escalation

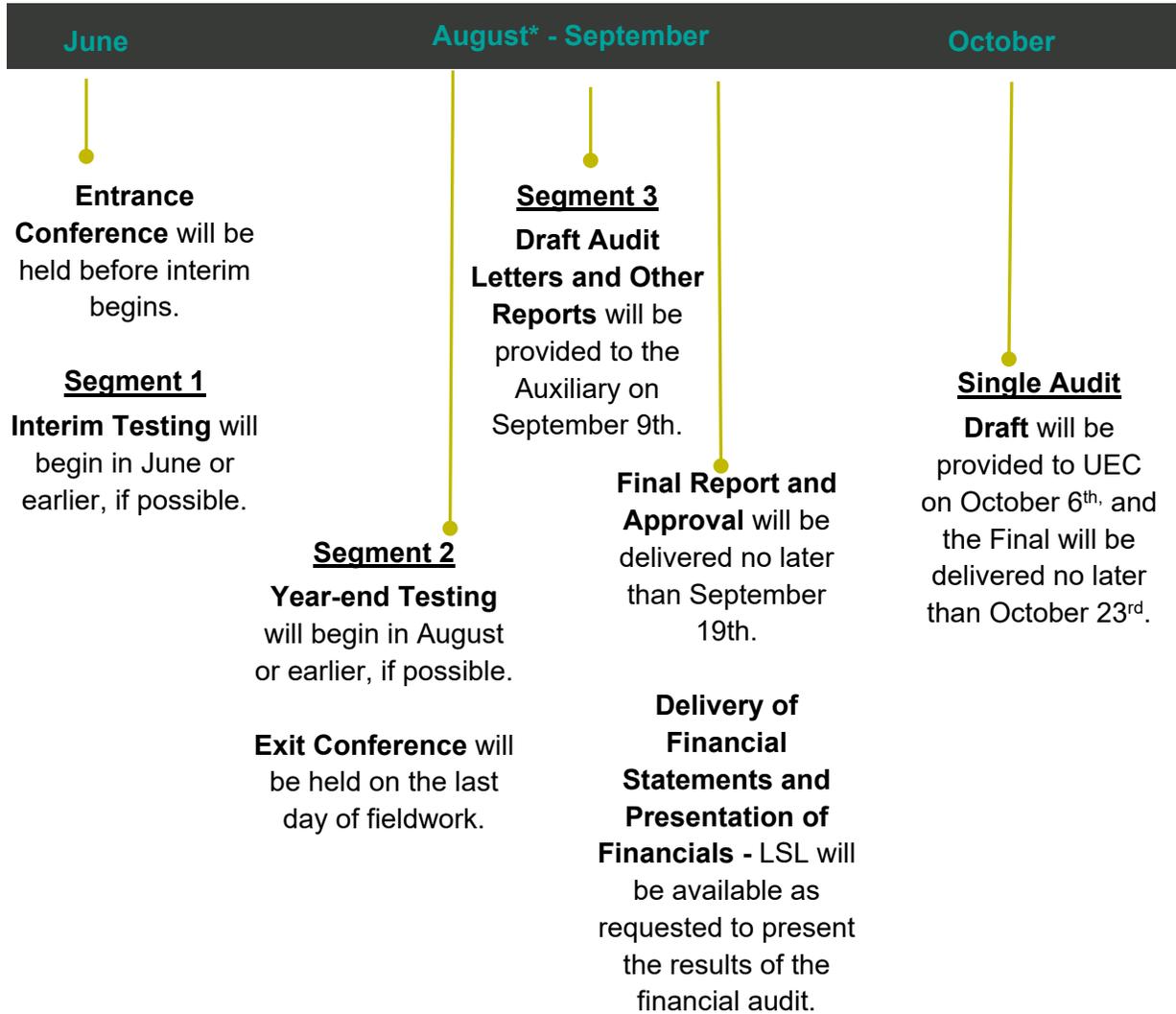
The quoted fees above include a standard 5% increase year-over-year.

### HOURLY RATES FOR OUT-OF-SCOPE SERVICES

If it should become necessary for the Auxiliaries to request LSL to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if outlined in a written addendum to the agreement, executed by both the LSL and the Auxiliary.

## 7. Audit Schedule and Fieldwork Timing

We plan to have the same manager and similar staff across all programs.



\*The Single Audit compliance testing will be completed concurrently with the financial statement audit.

## 8. Peer Review Report

Our firm has participated in the AICPA Peer Review Program since its inception. All our peer reviews have covered governmental engagements and have received *pass* ratings. Our most recent peer review, conducted by Spafford and Landry CPAs, is provided on the following pages. Note, LSL, LLP legally changed our name from Lance, Soll & Lunghard, LLP to LSL, LLP in 2025.



HERE TO MAKE THE COMPLEX SIMPLE.

Patrick D. Spafford, CPA  
Todd C. Landry, CPA

Licensed by the California Board of Accountancy  
Member: American Institute of Certified Public Accountants

### Report on the Firm's System of Quality Control

To Lance, Soll & Lunghard, LLP  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

#### Firm's Responsibility

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

#### Peer Reviewer's Responsibility

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

#### Required Selections and Considerations

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

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)*, or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.



March 30, 2023

## 9. Exceptions and Disclosures

### **INDEPENDENCE**

LSL is not aware of any conflict of interest with CSU or CSUSB personnel. LSL meets the independence requirements set forth by the *Government Auditing Standards*. Our partners have no ownership in any other business organization that currently or will potentially provide services, supplies, materials, or equipment to the Auxiliary. We annually distribute a listing of our firm's clients to all employees to ensure that any possible independence threats are properly documented and reviewed.

### **DESK REVIEW / DISCIPLINARY ACTION**

There have been no disciplinary actions against our organization since its inception. There have been no litigations against our firm in the past three years. Our Single Audit reports are desk reviewed either by the federal cognizant agency or the State Controller's Office acting as the Oversight Agency. LSL has never had a report rejected by any of these agencies and is highly regarded and recognized by the staff of the State Controller's Office for top-quality reports.

## LSL Highlights: Awards & Values

LSL is a multi-location firm with formidable resources that provides a personal feel and hands-on client experience.



Ranked #17 on the Orange County Business Journal's CPA Firm Book of Lists



Established in 1929



15 Partners  
4 Principals



165 Employees  
(and growing!)

### ACCOUNTING TODAY REGIONAL LEADER

LSL has again been recognized as an Accounting Today Regional Leader in 2025. The list ranks the top CPA firms that have shown exceptional growth, embraced technology, and who 'think outside the box' when providing solutions.



### INSIDE PUBLIC ACCOUNTING AWARD

LSL is honored to be recognized among the Top 300 accounting firms in the nation by INSIDE Public Accounting! Each year, IPA ranks CPA firms based on net revenue, and LSL proudly advanced from #220 in 2024 to #201 in 2025. Our fantastic team and the trust of our valued clients are the driving force behind this upward momentum and continued growth.



### BEST OF ACCOUNTING AWARD

LSL has consistently secured the ClearlyRated *Best of Accounting* award since 2019. This exclusive program awards accounting firms who demonstrate high-level service of excellence within the accounting industry and solely leverages statistically validated survey responses from our clients.



4.7 based on 646 ratings



### OUR CORE VALUES

Our values weren't decided on by management and handed down. Every member of the LSL team worked together to share what values matter most to us. From there, we came up with the following five core values that embody how we approach each other, our work, and our clients.



PURSUE EXCELLENCE



LOVE WHAT YOU DO



LEAD WITH INTEGRITY



ACCOMPLISH MORE TOGETHER



FORWARD THINKING

FEBRUARY 5, 2026

# California State University San Bernadino

*PROPOSAL FOR AUDIT AND TAX SERVICES*

**Amanda Moore, Principal**

**Matt Dinsdale, Senior Manager**

Baker Tilly  
975 Oak Street, Suite 500  
Eugene, OR 97401  
(541) 686-1040

Dear Jason:

Thank you for the opportunity to present this proposal for professional auditing and tax services to California State University, San Bernardino (CSUSB). Our focus is to align our firm with clients that share our high standards for quality and ethics in the workplace and we know CSUSB is just that type of institution. Outlined below, and throughout our proposal, we'll demonstrate why Baker Tilly is the right choice for you.

**Jason A. Espinoza**  
*Executive Director*

**University Enterprises Corporation**  
5500 University Parkway  
San Bernardino, CA 92407

- **Passion for higher education.** Like you, we have a passion for higher education and serving those who want to move our society forward through education. Altogether, our higher education clients represent the enrollment of hundreds of thousands of full-time equivalent students and a combined annual budget of several billion dollars. All told, we serve more than 1,560 not-for-profit clients, including over 200 higher education institutions and related entities. Your engagement team will feature a combination of both local and regional professionals who'll provide you with the wisdom of their experience and responsive service.
- **Dedicated service from principals and senior managers.** One of our firm's service hallmarks is the high level of principal and senior manager time we build into our engagements. From senior principals to staff, we're invested in supporting your success, listening to your needs, and understanding how you run your organization.
- **Communication throughout the year.** Baker Tilly isn't your once-a-year service provider. During the audit and throughout the year, we solicit and encourage communication to facilitate a smooth process and keep management apprised of new accounting pronouncements and new application of accounting policies. At the end of fieldwork, we'll conduct a formal exit meeting designed to keep you updated on the status of your audit and alert you of any issues. If any issues arise post-fieldwork, we'll communicate these items to management in a timely manner to make sure we have the appropriate facts and circumstances.
- **Efficient and effective service approach.** Our service approach is designed to reduce costs and save time while meeting CSUSB's specific needs. We'll utilize our powerful data mining tools to analyze large sets of data quickly and efficiently and carefully plan your engagement to make sure we meet your deadlines. Our approach utilizes analytical procedures in conjunction with a deep understanding of organizations like yours—which eliminates the need for excess sampling.

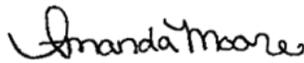
**Jason A. Espinoza**  
*Executive Director*

**University Enterprises  
Corporation**  
5500 University Parkway  
San Bernardino, CA 92407

- **Superior client service.** You'll get close attention from an industry-focused team that's consistent from year to year, and a firm that cares about your organization. Whether it's a phone call for advice or an in-person meeting, we're committed to going beyond the task at hand to help you prepare for the future. Your dedicated team understands the issues you face and will remain actively involved with CSUSB throughout our working relationship.
- **Meeting your deadlines.** We plan and perform our engagements on time. Once the project begins, we'll move directly to fieldwork so the entire process can be completed in a timely manner. When problems arise, we'll address them promptly to meet your preferred time frame.
- **Smooth transition.** We've put a lot of effort into designing a transition process that minimizes the impact on you and your staff. We take responsibility for setting meetings, getting to know your operations, and making accommodations so you can focus on running your operations.

You'll find that Baker Tilly offers an exceptional combination of experience and resources to not only meet your needs but also add value to CSUSB at a competitive price. We bring a rare blend of inspiration and technical excellence to help our clients discover and claim the future. Our focus on helping you recognize and take advantage of rising opportunities is what sets us apart from other firms.

Sincerely,



**Amanda Moore**  
Principal  
(541) 732-3865  
[amanda.moore@bakertilly.com](mailto:amanda.moore@bakertilly.com)



**Matt Dinsdale**  
Senior Manager  
(858) 627-1478  
[matthew.dinsdale@bakertilly.com](mailto:matthew.dinsdale@bakertilly.com)

# Contents

1. Understanding of the engagement and audit approach	1
2. Firm description and qualifications	7
3. Key engagement personnel	18
4. Estimated hours and staffing plan	23
5. References	25
6. Fee proposal	26
7. Audit schedule and fieldwork timing	29
8. Peer review report	31
9. Exceptions and disclosures	34
Looking ahead	35

---

# 1. Understanding of the engagement and audit approach

***The most effective solutions are born from a deep industry understanding. Our decades-long record of serving clients like you is how we'll bring deep contextual value for CSUSB.***

*As of June 3, 2025, Baker Tilly and Moss Adams have merged. The statistics provided are combined unless otherwise noted and are based on data currently available. Actual counts may vary slightly and will be finalized during the integration process.*

## **We understand your needs**

We understand CSUSB is looking for a CPA firm that has extensive experience providing audit and tax services to perform the required services for the fiscal year ending June 30, 2026. Subject to your approval, the initial engagement term will be for three years. Your engagement team respects deadlines and will work hard to provide the following services in your expected time frame.

We'll prepare and deliver the following audit and tax reports for each auxiliary organization in accordance with CSU, AICPA, and all applicable federal and state requirements.

### *Audit Reports*

- Independent Auditors' Reports
- OMB Uniform Guidance Report, including Schedule of Expenditures of Federal Awards (UEC only)
- Management Letter summarizing findings and recommendations
- Report to the Board of Directors and Audit Committee

### *Tax Filings*

- Federal Form 990
- Federal Form 990-T (if applicable)
- California Form 199
- California Form 109
- California Form RRF-1
- Annual Registration Renewal Fee Report

We understand that we shall provide both electronic (PDF) copies and, upon request, up to three bound hard copies of all required audit and tax reports for each auxiliary.

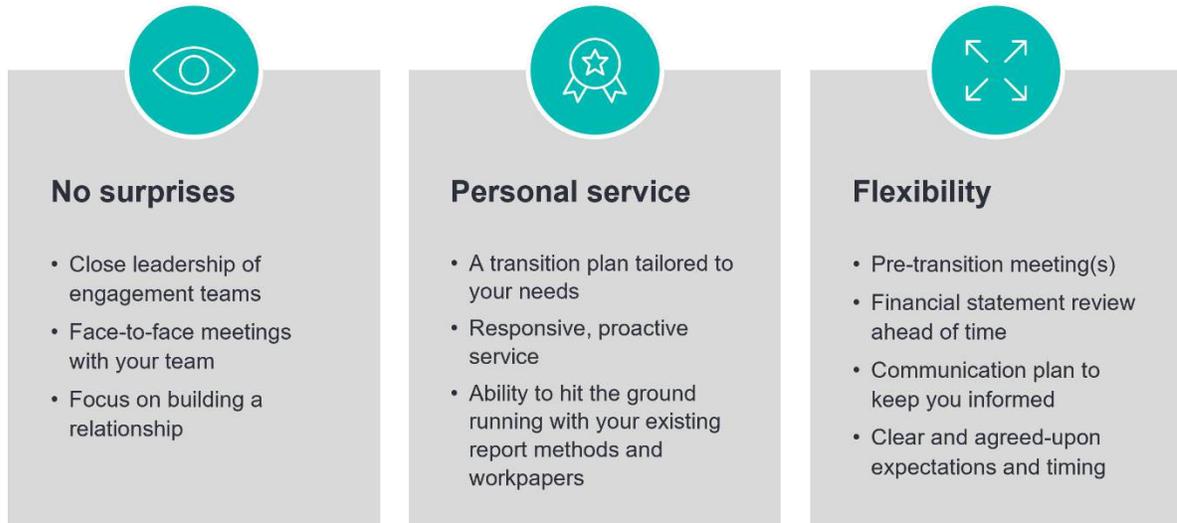
We're not once-a-year service providers who disappear for many months, only to return in time for the next engagement. We're a constant resource for questions and advice with a quick response time. We look forward to performing these services for CSUSB.

## Risk assessment process and planned audit approach

For each of your audits, we'll utilize a customized, risk-based audit approach and prioritize timely and effective communication and coordination of our audit activities. Below is a high-level overview of our audit process.

### *A smooth transition to Baker Tilly*

It's our first step in welcoming you as a new audit client—and it's an important one. Our goal is to avoid disruption to your staff and make the transition period as smooth as possible. You'll get the following:



## Transition steps

1. **Have entrance meetings.** Conference with your finance department and other appropriate groups to discuss risks, expectations, processes, and timelines.
2. **Hold planning sessions.** Meet with key managers to discuss risks, expectations, the audit process, and timelines; and to share key strategic, financial, and operational information.
3. **Review working papers.** Read your prior auditor's working papers to understand their audit approach and the timing of their procedures and to determine the scope of any additional procedures our team will perform on the opening balances in your financial statements.
4. **Design audit approach.** Devise an efficient and effective approach that addresses the potential risks we discover during the transition.

## Financial statement audit approach



With dedicated and ongoing involvement from our principals and senior-level professionals, the audit will be planned and executed by an experienced team that understands your industry. During the audit, your Baker Tilly engagement leader, Amanda Moore, will review the work in progress and address any issues with management. Amanda is also the engagement leader for the CSU Cal Poly Humboldt auxiliaries and is familiar with CSU deadlines and meeting those deadlines. This reduces time spent on post-audit procedures and wrap-up.

Our emphasis on tailoring an audit to focus on the areas of significant risks allows us to complete the audit in an efficient and effective manner. Our audit will include the following:

- Plan the engagement based on a thorough understanding of your business risks and transactions
- Communicate and coordinate activities with management and the audit committee based on an agreed-upon timeline
- Conduct continuous audit procedures to increase efficiency and reduce the burden on your personnel at year-end
- Work with management to resolve any complex accounting or reporting issues as early as possible in the audit process
- Provide recommendations to management for areas of improvement

### Internal control review

As a part of any audit, we perform risk assessment procedures that include, among other activities, gaining an understanding of your relevant internal controls, the effectiveness of their design, and whether they've been placed in operation. As a result of these procedures, we assess control risk and determine whether a plan to rely on controls is appropriate. Whether or not we plan to rely on controls, as we gain the required understanding of controls we look for opportunities for you to improve your internal control and accounting procedures. We communicate our recommendations for improvement as appropriate. We consider this a significant part of the value we bring to you, and it's included in the audit fee.

## **Audit sampling**

We use two basic approaches to audit sampling for tests of monetary balances: statistical sampling using our data extraction software's monetary unit sampling (MUS) approach, and nonstatistical sampling. Considerable judgment is required in determining the appropriate values for the inputs used to compute the sample size. The following five factors are among those considered when using MUS or nonstatistical sampling:

- Desired level of confidence in or assurance from the sample
- Tolerable misstatement in dollars or tolerable deviation rate
- Expected misstatement in dollars or expected deviation rate
- Population size in dollars or number of items
- Number and total dollar amount of individually significant items in the population

## **Coordination plan and communicating with management and those charged with governance**

We believe in proactive communication—no aspect of this work should come as a surprise. To support this, we build in a variety of communication touch points throughout the process.

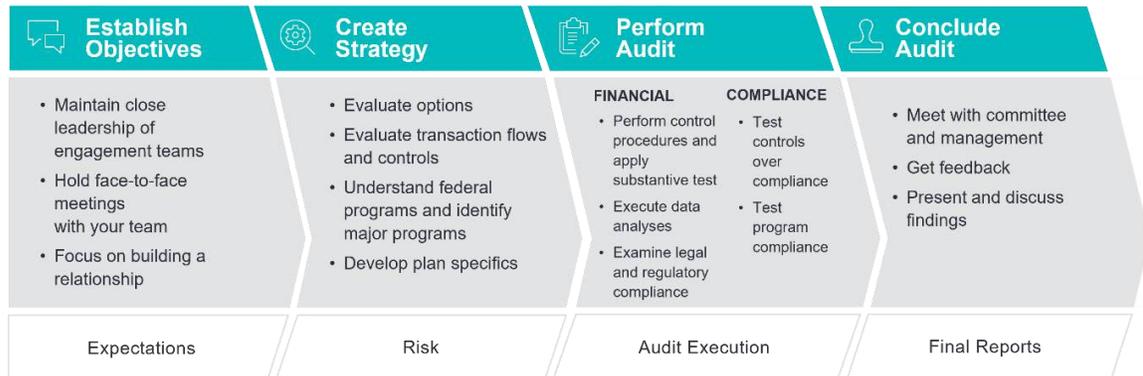
Your auditor is required by auditing standards to communicate certain matters to those charged with governance of your organization, such as your audit committee or board of directors, and with management. Such communications are required when planning the audit as well as when the audit is complete.

In the planning phase, we'll communicate such matters as our responsibilities concerning the financial statement audit, independence matters, and the planned scope and timing of the audit. At the outset of the engagement, we'll strive to create two-way communication so we can hear from you about matters you consider relevant to the audit, such as strategic decisions that may significantly affect the nature, timing, and extent of audit procedures; the suspicion or the detection of fraud; or other concerns you have.

At the conclusion of the audit, we'll communicate the results of our audit and significant findings or issues from the audit. These may include our views about the qualitative aspects of your significant accounting practices, including accounting policies, estimates, and financial statement disclosures. We'll also communicate material audit adjustments and uncorrected misstatements. In addition, we're required to communicate to you all significant deficiencies and material weaknesses.

Finally, our communication typically includes best practices, exceptions encountered during testing, other deficiencies in internal control that aren't considered material weaknesses or significant deficiencies, and recommended areas of improvement.

## Federal compliance audit approach and procedures



Given our vast experience in this area and our sizable Not-for-Profit Practice, we have a deep understanding of the challenges involved in adhering to grant requirements at all levels: federal, state, and local. We understand federal compliance audit principles and the compliance requirements contained in the Office of Management and Budget (OMB) Compliance Supplement as well as other sources of compliance requirements. We maintain relationships with the Government Accountability Office (GAO), OMB, and several federal and state agency personnel. This allows us to communicate with them directly to determine their specific needs and requirements from the audit process.

Our general audit approach follows the guidelines and framework in Government Auditing Standards (GAS) and the Uniform Guidance for Federal Awards. This approach is risk-based, beginning with the identification of major programs for audit and the related applicable compliance requirements described in the OMB Compliance Supplement, grants, and contract agreements.

### Planning

During the federal compliance audit planning phase, we develop an efficient audit approach and design audit programs after considering the following matters:

- Results of prior single audits
- Your schedule of expenditures of federal awards
- Satisfaction of federal and other relevant legal, regulatory, or contractual requirements
- Determination of entity and program risk
- Satisfaction of the additional requirements of GAS
- Satisfaction of federal compliance audit requirements regarding scope of testing, working papers, and audit follow-up
- Timing of conduct and completion of the audit and reporting submission deadlines
- Results of our preliminary risk assessment
- Determination of preliminary level of materiality
- Determination of applicable laws, regulations, and compliance requirements
- Understanding of applicable state and local compliance and reporting requirements
- Results of desk reviews and on-site reviews performed by grantor, pass-through, or other oversight agencies

For federal financial assistance programs, we use our knowledge and the guidance and procedures within the federal compliance audit requirements and the OMB Compliance Supplement for the selection of major programs and the preliminary identification of risks associated with those programs. Once the major programs have been selected, we further plan our audit by performing a combination of interviews with program officials, reviews of internal audit work, and in-depth reviews of the grant or program agreements. We also read and understand program reviews from external agencies, applicable audit guides and updates, instructions from pass-through agencies, and existing regulatory guidance from the granting agency. For federal programs not selected as major, we determine which programs or specific agreements may have a direct and material effect on the financial statements. Lastly, we rely on our experience with other clients in the same industry, and our extensive professional education programs that keep us current and informed.

### **Drawing audit samples for compliance testing**

For the major programs to be tested, we determine the direct and material compliance requirements through review of grant agreements and contracts, as well as published regulatory guidance, including the OMB Compliance Supplement. The review will generate specific compliance tests, many of which will involve audit sampling. We'll select the most appropriate sampling technique for a given compliance test, tailored to the type and nature of the test. When we apply a sampling approach, we often use data extraction software that helps isolate and manipulate a large volume of data without interrupting current processes and without affecting the original data. This has proven to be very efficient and effective for large-scale sampling.

Our approach to audit sampling in a compliance audit of federal awards is based on the audit sampling considerations in the AICPA's Audit Guide for Government Auditing Standards and Single Audits that was designed to increase the quality of federal compliance audits. In fact, representatives from Baker Tilly participated with the AICPA to create this guidance.

### **Reporting noncompliance and findings**

Not every error or instance of noncompliance discovered in the single audit test work requires formal reporting. We use a tiered approach to assess the significance of the error, lack of control mechanism, or instance of noncompliance. That assessment includes the materiality of the issue to each major program and an analysis of the pervasiveness of the issue. We identify and formally report those major systemic problems that put you at risk for noncompliance or constitute significant noncompliance, using the reporting frameworks required by federal compliance audit guidance and GAS. Isolated instances and less significant administrative errors are usually reported only to management.

## 2. Firm description and qualifications

*This is more than a proposal. It's a promise. To serve as your sounding board, your navigator and your second set of eyes on the horizon.*

### Guiding you with our resources, reputation and reach

At Baker Tilly, we bring a legacy and commitment to helping our clients embrace what's next. With **more than 11,000 professionals, including 1,000+ principals** from coast to coast, our resources fuel our ability to offer clients deep industry insights, bold thinking and holistic solutions. Our ranking as the sixth-largest advisory CPA firm means we're actively shaping the industry landscape across markets.

Baker Tilly will successfully guide CSUSB through changing landscapes with skills, stability and strength as one of the oldest and largest advisory, tax and assurance firms in the United States.

### Baker Tilly at a glance

**6<sup>th</sup>**

largest U.S.  
accounting firm

**~3,400**

Certified Public  
Accountants

**11,000+**

team members,  
1,000+ principals

**\$3B+**

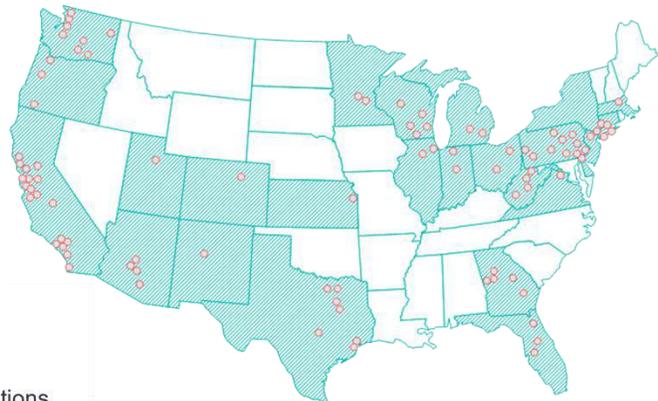
firm revenue in  
FY2024

**100+**

years in business

**100+**

worldwide office locations



### Over a century of service

Every business, managed well, has the potential for tremendous growth and durability. We know, because it's our story too. We started by planting strong roots more than a century ago. From there, we never stopped growing.

Since our founding, we've grown organically as well as through strategic combinations, expanding to encompass 75 different business combinations united under one calling: to deliver high-quality accounting and advisory services to our clients. We've augmented our scope across industries, services and areas of expertise to better serve our clients.

### Organization structure

Baker Tilly is a limited liability partnership. As Baker Tilly US, LLP is a privately held organization, specific ownership percentages are not disclosed. No individual principal owns 10% or more of the company.

## **The Baker Tilly service philosophy**

At Baker Tilly, we're all in, personally engaging with clients to help them anticipate, prepare for, and embrace the future. We take the time to understand your business or individual situation, anticipate needs, and identify gaps before they become obstacles, so you can grow, manage, and protect your prosperity with confidence.

One of the ways we foster closer relationships with our clients is through a high level of principal involvement with each engagement. You get personal attention from our most experienced professionals, who lend their proven technical skills, thoughtful guidance, and steady hand to your most complex business challenges.

And thanks to a staff-to-principal ratio that averages around ten to one, we've created an environment of intense professional development. This means our principals—and also our senior managers, managers, and other personnel—can provide CSUSB with well-trained, seasoned, tested expertise.

From our clients, we expect total honesty. In return, we promise to be proactive, candid, accessible, and knowledgeable—always ready to share our expertise but seeking first to listen to make sure we understand your business, its unique needs, and how we can help. Our professional skills are the foundation upon which we build a successful client relationship. It's the innovative way we apply those skills to your unique circumstances that sets Baker Tilly apart.

### *Quality control systems*

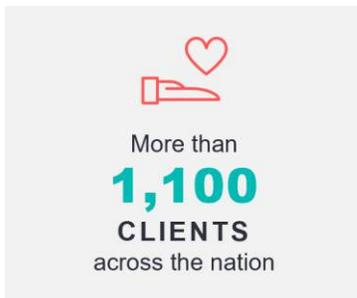
While Baker Tilly has centralized quality control, our engagement principals and client service teams are only one level removed from the technical and quality control professionals in our National Office. We consult as necessary with our National Office on both technical and regulatory matters, many of which are voluntary consultations in an effort to draw on our firm's deep expertise and deliver the best service to our clients.

When we do have a need to consult with our National Office, we've streamlined our process to ensure timely turnaround of consultations. We evaluate each service and advise your audit committee in our routine communications of any matters that may be classified as anything but "audit." Our service approach is designed to effectively serve the audit committee and be responsive to management. Our consultation process offers personal contact and interactive dialogue that translates to timely responses.

## Higher education and foundations expertise

We have a passion for higher education and serving those who want to move our society forward through education. We serve nearly 3,700 not-for-profit clients, including nearly 600 higher education institutions and related entities. Baker Tilly is a leader in providing audit, tax, and consulting services to institutions of higher learning. Your proposed engagement team is comprised of the most talented people in our firm who devote their time and attention to higher education clients. Your engagement team will feature a combination of firmwide professionals who'll provide you with insights from their specialized experience and responsive service.

Selecting one advisor over another is much easier when a particular firm has experience working with organizations similar to yours in scope or organizational mission. For example, it allows for a clearer understanding of the specific issues you face, what to anticipate when conducting an audit, and how long it will take. This results in a more efficient experience and effective solution for you.



Our Foundation Practice serves more than 1,100 independent grant-making foundations, higher education foundations, community foundations, corporate foundations, hospital foundations, private foundations, and operating foundations throughout the United States, most of which are large entities with hundreds of millions of dollars in assets. As funding intermediaries, foundations distribute grants from earnings of endowment investments and other sources, as well as contributions from donors, all of which require the support of advisors with deep expertise in foundations.

**Foundations** in a range of industries and fields look to our professionals for support, including:

- Community foundations
- Corporate foundations
- Higher education foundations
- Hospital foundations
- Private foundations

Disruption across the economic landscape brings both challenges and opportunities for foundations. Fluctuating markets can impact your ability to manage payout requirements and endowment spending obligations, complex investment portfolios and unique noncash gifts are on the rise and require significant attention, and hybrid workforces bring evolving operational requirements. That's why foundations must strategically stay ahead of change, and this is where Baker Tilly can help and provide value. Our industry-focused services can help your foundation maintain focus on what matters most—delivering on your mission.

Deeply immersed within the not-for-profit sector, our professionals understand the nuanced business needs of foundations. Our collaborative approach takes the time to understand the specifics of your foundation and strategically develop unique solutions contextualized among greater economic trends and activity.

Our clients aren't the only foundation leaders who look to us for guidance. We're members of and frequently collaborate with influential foundation organizations including the Council on Foundations (COF), Catalyst of San Diego & Imperial Counties, Grantmakers of Oregon & Southwest Washington, Northern California Grantmakers, Philanthropy Northwest, Philanthropy Southwest, and Southern California Grantmakers. We also serve as advisors to community foundations nationally through the Fiscal & Administrative Officers Group (FAOG). Liz Dollar, our Not-for-Profit Practice Leader, and Wendy Campos, our Foundations Practice Leader and proposed member of your tax team, serve as advisors to the accounting practices committee for FAOG and meet with the group monthly to discuss accounting

and auditing updates relevant to community foundations. We've also participated in and sponsored several FAOG and COF events over the years. Most recently, we delivered education and collaboration for the FAOG conference and FAOG membership.

### Higher education and foundation client portfolio

Selecting one advisor over another is much easier when a particular firm has experience working with organizations similar to yours in scope or organizational mission. For example, it allows for a clearer understanding of the specific issues you face, what to anticipate when conducting an audit, and how long it will take. This results in a more efficient experience and effective solution for you. Listed below are some foundation, not-for-profit, and higher education organizations our firm serves that are similar to the Foundation.

HIGHER EDUCATION FOUNDATION CLIENTS	
<ul style="list-style-type: none"> <li>• Arizona State University Foundation</li> <li>• Bronco Bench Foundation</li> <li>• Cal Poly Humboldt</li> <li>• California Lutheran Education Foundation</li> <li>• California Health Sciences University</li> <li>• California Institute of Technology</li> <li>• California University of Science &amp; Medicine</li> <li>• CDU Foundation</li> <li>• Central New Mexico Community College Foundation</li> <li>• Central Washington University Foundation</li> <li>• Claremont McKenna College Foundation</li> <li>• Clark College Foundation</li> <li>• Concordia University Irvine Foundation</li> <li>• Construction Industry Advancement Fund of Southern California</li> <li>• Dental Implant Opportunity Fund</li> <li>• Doc Smith Legacy Foundation</li> <li>• Fresno State University Auxiliary Corporations</li> <li>• Gonzaga Law School Foundation</li> <li>• CSU Cal Poly Humboldt Foundation</li> <li>• CSU Cal Poly Humboldt Sponsored Programs Foundation</li> <li>• CSU Fresno State University Auxiliaries</li> </ul>	<ul style="list-style-type: none"> <li>• New Mexico Tech Research Foundation</li> <li>• North Idaho College Foundation</li> <li>• Northern Arizona University Foundation</li> <li>• Oregon Research and Education Foundation</li> <li>• Perry Technical Foundation</li> <li>• Portland State University Foundation</li> <li>• Roseman University Foundation</li> <li>• San Mateo County Community College District Foundation</li> <li>• Santa Barbara City College Foundation</li> <li>• Skagit Valley College Foundation</li> <li>• Sun Devil Club</li> <li>• The Agricultural Foundation of California State University, Fresno</li> <li>• The Bushnell Foundation</li> <li>• University of Idaho Foundation</li> <li>• University of Judaism Foundation</li> <li>• University of San Francisco</li> <li>• University of New Mexico Anderson School Foundation</li> <li>• UT Health San Antonio</li> <li>• Wellcome Leap</li> <li>• Western University of Health Sciences</li> <li>• Vanguard University Foundation</li> </ul>

## Public College and University Clients

Below is a partial list of public college, community college, and university clients:

PUBLIC COLLEGE, COMMUNITY COLLEGE AND UNIVERSITY CLIENTS	
<ul style="list-style-type: none"><li>• American Samoa Community College</li><li>• Arizona State University</li><li>• California Institute of Technology</li><li>• California Northstate University</li><li>• California Polytechnic State University San Luis Obispo</li><li>• California State University Monterey Bay</li><li>• California State University San Marcos</li><li>• Central New Mexico Community College</li><li>• Central Washington University</li><li>• Chemeketa Community College</li><li>• Clark College</li><li>• Columbia Gorge Community College</li><li>• Community Colleges of Spokane</li><li>• Eastern Washington University</li><li>• Edmonds College</li><li>• El Camino Community College District</li><li>• Foothill-De Anza Community College</li><li>• Humboldt State University</li><li>• Kansas State University</li><li>• Lane Community College</li><li>• Lone Star College System</li><li>• New Mexico Highlands University</li><li>• New Mexico Institute of Mining and Technology</li></ul>	<ul style="list-style-type: none"><li>• New Mexico State University</li><li>• Pierce College</li><li>• Portland State University</li><li>• Rancho Santiago Community College District</li><li>• San Francisco State University</li><li>• Treasure Valley Community College</li><li>• UC College of the Law, San Francisco (UC Law SF)</li><li>• UC Davis Medical School</li><li>• Umpqua Community College</li><li>• University of California Berkeley (UC Berkeley)</li><li>• University of California, Irvine (UC Irvine)</li><li>• University of California, San Diego</li><li>• University of Colorado</li><li>• University of Nevada School of Medicine</li><li>• University of New Mexico</li><li>• University of Oregon</li><li>• University of Portland</li><li>• University of Texas System</li><li>• University of Utah</li><li>• University of Western States</li><li>• University of Wisconsin System</li><li>• Washington State University</li></ul>

## Overcome industry challenges

From strengthening your internal operations to leveraging technology for support, our business solutions can help you plan for what's next.



**Protect Valuable Assets and Data**

Prepare your foundation before a cyberattack strikes with our cybersecurity services.



**Pursue ESG Initiatives**

Align your business practices with ESG principles to help accelerate your mission and transform your culture.



**Make Data-Driven Decisions**

Illuminate vital data to transform your foundation into a collaborative, data-driven organization.



**Enhance Performance & Safeguard Risks**

Fulfill your mission more efficiently by aligning your organization, streamlining processes, and developing policies.



**Maintain Grant Compliance**

Maintain continued eligibility for future funding with our grant compliance services.

## Our foundations and higher education industry involvement

Baker Tilly is actively involved with the academic community through our professional participation in associations and with standard-setting entities, including the American Institute of Certified Public Accountants (AICPA), Financial Accounting Standards Board (FASB), Governmental Accounting Standards Board (GASB), and National Association of College and University Business Officers (NACUBO). For these and other national and regional entities, our professionals attend annual meetings, trade shows, lectures, and industry-specific events as guests, speakers, and trainers. Here are a few of our affiliations; some of your engagement team members have spoken at these events.

TYPE	OUR INDUSTRY INVOLVEMENT
Association Affiliations	<ul style="list-style-type: none"> <li>• Association of Business Administrators of Christian Colleges (ABACC)</li> <li>• Association of Governing Boards (AGB) of Universities and Colleges</li> <li>• Association of Independent Research Institutes (AIRI)</li> <li>• Association of Jesuit Colleges and Universities (AJCU)</li> <li>• Central Association of College and University Business Officers (CACUBO)</li> <li>• Council on Foundations (COF)</li> <li>• FAOG (Fiscal Accounting Officers Group)</li> <li>• National Association of College and University Business Officers (NACUBO)</li> <li>• Philanthropy Northwest</li> <li>• Philanthropy Southwest</li> </ul>

TYPE	OUR INDUSTRY INVOLVEMENT
	<ul style="list-style-type: none"> <li>• Southern Association of College and University Business Officers (SACUBO)</li> <li>• Western Association of College and University Business Officers (WACUBO)</li> <li>• Western Association of Schools &amp; Colleges (WASC)</li> </ul>
Speaking Engagements	<ul style="list-style-type: none"> <li>• AGB National Conference on Trusteeship</li> <li>• AICPA Government and Not-for-Profit Training Program</li> <li>• AICPA Governmental Auditing and Accounting Conferences</li> <li>• AICPA National Not-for-Profit Industry Conference</li> <li>• AICPA Not-for-Profit Financial Executives Forum</li> <li>• Association of College and University Auditors (ACUA)</li> <li>• Association of Independent Technical Universities (AITU)</li> <li>• California Society of CPAs NFP Conference</li> <li>• California Society of CPAs School Districts Conference</li> <li>• NACUBO Global Operations Forum</li> <li>• NACUBO Higher Education Accounting Forum</li> <li>• NACUBO Tax Forum / NACUBO UBIT Forum</li> <li>• NACUBO Webcasts</li> <li>• National Association of College and University Attorneys (NACUA)</li> <li>• Northwest Independent Colleges Business Officers Association (NICBOA)</li> <li>• Oregon Society of CPAs NFP Conference</li> <li>• Pacific Consortium (PAC-CON) of West Coast Small College Business Officers</li> <li>• Transnational Association of Christian Colleges and Schools (TRACS)</li> <li>• WACUBO Annual Conference</li> <li>• Washington Society of CPAs NFP Conference</li> <li>• West Coast Comprehensive Institutions (WCCI) Conference</li> </ul>

## Key differentiators

### Our client portal

As a client-centric advisory firm, Baker Tilly is focused on elevating the digital servicing experience for our clients. To do this, we use our client portal, a secure web-based tool that easily transfers and temporarily stores sensitive documents related to your engagement. The portal can accommodate extremely large data files, and because it's a private portal, it's also vastly more secure than email or physical media. The portal stores data files on our servers located at our off-site commercial data center. It's designed to be user-friendly and accommodate the way your team works, while simultaneously streamlining the file-sharing process and accelerating the transfer of your files.

The portal creates a single entry point for all things Baker Tilly—whether providing engagement documents, checking status, or getting relevant accounting, consulting, or wealth management information. This is a self-managed, simplified way for our clients to engage and interact with us on a value-added, differentiated basis.

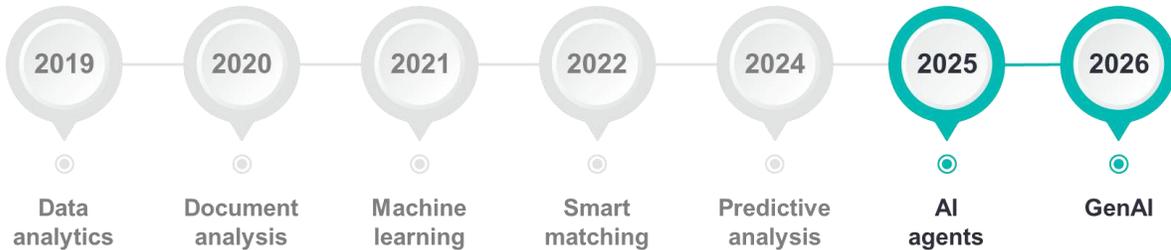
### Emerging audit technology

At Baker Tilly, we continually explore new ways to advance our business intelligence and technology tools so we can stay ahead of disruption in our profession and continue to modernize our audit approach. The following are some of the most leading-edge tools our teams are using to increase the efficiency, learning, and value we deliver to clients during the audit process:

- **DataRobot** is a tool that allows our professionals to develop predictive models that can be applied to a wide variety of problems and opportunities associated with unstructured and structured data. Application within our Assurance Practice has included providing additional risk-driven insights to our clients and engagement teams, increasing the value proposition of our approach.
- **Robotic Process Automation (RPA)** is a cutting-edge form of business process automation technology. RPA helps automate redundant processes such as data mining and entry, freeing up our practitioners to focus on analyzing and interpreting information that will provide our clients with valuable insights. For example, we could use RPA to teach a computer to input information from a website into a spreadsheet for further analysis—ultimately leading to more advanced analytics.
- **Data visualization** isn't necessarily a new technology, but leveraging it within our Assurance Practice has proven to further increase our effectiveness in delivering service to our clients. We've introduced technologies such as Tableau and Microsoft PowerBI within our engagement processes, resulting in advanced visualization of client data which we utilize during our engagements and share with our clients, increasing insight into important operational data.
- **Workflow automation** products help automate redundant processes to assist our people in analyzing data and various pieces of the processes. The software is designed to make advanced analytics automation accessible to any data worker. It allows us to easily transform and cleanse data sets so we can start our real work faster. It also allows us to link various data sets together to increase our analytical capabilities. We currently use this tool for quality control steps and data transformation in our Assurance Practice and have many proof-of-concepts in flight.
- **Machine learning** tools leverage advanced algorithms and data analysis techniques to automate processes, uncover insights, and enhance decision-making. We use machine learning tools like MindBridge and Kira to assist auditors in analyzing content from contracts and documents. These tools aid in journal entry testing procedures by identifying outliers and anomalous transactions, providing a comprehensive analysis of all transactions within a general ledger dataset.

### Assurance innovation and technology: Digitizing the audit

We've demonstrated a long history of evolving our digital tools and processes to remain responsive to client needs and industry dynamics. We look forward to continuing that legacy as we capture data and leverage new AI technologies to propel our firm and your business into the future.



### Where we're going with GenAI

- **Empowering people through upscaling.** GenAI acts as a learning buddy, accelerating auditor training and reducing errors. Clients will receive higher-quality work from better-prepared teams.
- **Emerging technology and AI integration.** Context-aware AI agents streamline audit workflows. Clients will benefit from faster, more accurate procedures.
- **Quality, safety, and compliance.** Built-in self-review and skepticism prompts strengthen audit rigor. Clients can gain confidence that results meet the highest standards.
- **Efficiency and operational effectiveness.** Automated write-ups free auditors to focus on engagement management and insights. Clients experience smoother audits and more advisory value.
- **Data-driven insights and integration.** Integrated dashboards provide proactive risk detection. Clients will receive timely, actionable insights into the audits.
- **Modern experience for talent and clients.** A GenAI-enabled platform ensures faster turnaround, clearer reporting, and stronger assurance. Clients can feel supported and confident.

### Firm innovation

At Baker Tilly, we understand the importance of evolving to meet the changing needs of our clients and the world. That's why we foster a culture of innovation in everything we do. We believe that innovation is not just about staying ahead of the competition; it's about continuously finding new ways to add value to our clients' businesses. We encourage our people to think outside the box, challenge the status quo, and explore new ideas and approaches. Our commitment to innovation is reflected in our investment in cutting-edge technology and tools, our dedication to business transformation and sustainable growth, and our focus on inclusion and diversity. We seek to innovate as a firm in the following ways:

### Technology innovation

- Our technology innovation team works diligently to explore emerging technologies, leverage analytical tools, and build new tools to maintain a competitive edge in the ever-evolving landscape of technology.
- Our technology innovation team provides our people opportunities to upskill through our micro-rotation program, enabling them to enhance their skills and deliver increased value to the engagement team.
- As emerging technologies continue to disrupt the market, our technology innovation team remains dedicated to researching and building out proof of concepts to provide engagement teams with new, more effective ways to serve our clients.

### Business transformation

- Our business transformation team considers our clients and the market to rethink how we function as a firm and make comprehensive changes to better meet the needs of our people and our clients.
- Through our focus on our business transformation goals, we seek to expand our people's skills, enhance efficiency, improve collaboration, center diverse perspectives, and maintain a fresh approach to our work.

### Social responsibility

- For over a century, Baker Tilly has been committed to responsible growth and the sustainability of our clients, people, and neighborhoods.
- In our effort to minimize our environmental impact, we've developed specific goals and policies related to the percentage of recycled materials and the total amount of supplies we use in our offices, the amount of water we withdraw, and the direct and indirect energy we consume.
- For additional information about our corporate social responsibility initiatives and progress reports, please visit [our website](#).

### Diversity, equity, and inclusion

- People are at the heart of innovation. That's why we're determined to create a lasting culture of belonging for everyone at the firm and to maintain a focus on expanding diverse talent at all levels.

### Staffing capacity

You'll have immediate access to our deep bench of experienced professionals with specialized service expertise. Your needs aren't siloed, and neither are we. We devote the talents of our full team to address your needs across accounting, consulting, and wealth management. You'll have open access to all our senior-level technical and industry professionals—not just those in a given office.

### Tax-exempt support

Baker Tilly has an experienced team of professionals with expertise in tax issues related to not-for-profit organizations. This expertise ranges from compliance issues, such as the IRS Form 990, to complex issues and creative plans for reorganizations and affiliate business relationships, strategic planning for revenue enhancement opportunities, and reduction of unrelated business taxable income.

Our professionals provide services to a wide spectrum of not-for-profit organizations including colleges and universities, research entities, foundations, associations, and social service and other tax-exempt organizations. Our breadth of experience has created a unique base of knowledge in addressing federal, state, and international tax issues and enables us to consult with you on:

- The tax-exempt status of the organization
- Independent contractor versus employee determinations
- Fellowship/scholarship versus compensation tax treatment for services rendered
- Charitable giving arrangements with individuals and their families
- Reporting issues of IRS Forms 1042-S and 1099
- Third-party management agreements
- Technology transfer and associated royalty arrangements
- Private benefit of tax-exempt bond financed facilities
- Unrelated business income tax
- Tax issues associated with formation or operation of subsidiaries of tax-exempt entities
- Tax aspects of doing business in foreign countries
- Sales and use tax exemptions; property tax exemptions and valuations

Regardless of the tax issue you face, you'll have access to experienced tax professionals who'll be able to help you address any issues as they arise. And our professionals will be available to your organization at any time, not just during the audit engagement.

### 3. Key engagement personnel

*We assemble the right team with the right experience to serve you year after year and take you further than anyone thought possible.*

Each team member is in good standing, with no complaints leveled against them by the state board of accountancy or any other regulatory authority.

#### THE TEAM TO ACHIEVE CSUSB'S GOALS



#### **Amanda Moore, CPA – Principal**

**Engagement Role: Engagement Lead/Engagement Reviewer  
100% dedicated to this engagement**

Amanda has practiced public accounting since 2000 and focuses on serving clients in the government and not-for-profit industries. She provides a range of services to her tax-exempt clients and leads the not-for-profit and government group in the Pacific Northwest. She has extensive experience in accounting, auditing, and consulting, as well as significant experience conducting audits in accordance with Government Auditing Standards and OMB Uniform Guidance. Additionally, Amanda is currently on the special review committee for the GFOA certificate program.

#### **Professional certifications and licenses**

- Member, American Institute of Certified Public Accountants
- Member, Oregon Society of Certified Public Accountants

#### **Education**

- BS, accounting, Southern Oregon University

#### **Specific Experience**

- Higher Education Experience: 7 years auditing institutions of higher education
- Research Institutes: 7 years auditing research institutes
- Auxiliary Experience: 7 years (public)



## **Matt Dinsdale, CPA – Senior Manager**

**Engagement Role: Engagement Senior Manager**  
**100% dedicated to this engagement**

Matt has practiced public accounting since 2008. He provides assurance and advisory services to a variety of higher education institutions, research institutes, foundations, not-for-profit organizations, and government agencies. Matt also assists for-profit entities with federal grant funding matters. Matt has significant experience conducting audits in accordance with Government Auditing Standards and the Single Audit Act and has published numerous articles and spoken at events and conferences on these topics. Matt partners with CalCPA, NAVREF, Catalyst of San Diego, and other large and small associations to deliver education on topics including not-for-profit technical accounting updates, board training and governance strategies, federal compliance updates and other topics throughout the year. He is a resource on these topics both internal to the firm and externally.

Matt is a member of the firm's single audit technical committee, charged with reviewing all single audit reports issued by the firm, to ensure the reporting meets both firm standards and uniform guidance requirements.

### **Professional certifications and licenses**

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Audit Committee Member, Center for Community Solutions
- Treasurer and Board Member, Lakeside's River Park Conservancy

### **Education**

- BS, accounting, San Diego State University

### **Specific Experience**

- Higher Education Experience: 18 years auditing institutions of higher education
- Research Institutes: 16 years auditing research institutes
- Auxiliary Experience: 16 years (private non-profit) and 4 years (public)



## **Arthur Ngo, CPA, Senior Manager**

**Engagement role: Audit Concurring Reviewer  
100% dedicated to this engagement**

Arthur has practiced public accounting since 2007. He specializes in financial statement and performance audits, single audits, internal controls evaluations, and financial reporting for a variety of clients, including not-for-profit organizations, education agencies, and higher education institutions. Arthur has performed compliance audits for not-for-profit and education entities that participate in federal programs under the Yellow Book, the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. He's also experienced in auditing college foundations and performing state compliance audits for California Community Colleges and California education agencies.

### **Professional certifications and licenses**

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants

### **Education**

- BS, business administration (accounting emphasis), California State University, Fresno

### **Specific Experience**

- Higher Education Experience: 18 years auditing institutions of higher education
- Auxiliary Experience 18 years



## Wendy Campos, CPA – Principal

**Engagement Role: Tax Principal**  
**100% dedicated to this engagement**

Wendy has practiced public accounting since 2000, focusing primarily on tax-exempt organizations, including private and public foundations, higher education institutions, hospitals, credit unions, trade associations, and other not-for-profit organizations. She's a highly capable business advisor to her clients including private foundations and higher education institutions and provides both compliance and consulting services in the areas of unrelated business income, compensation reporting, payroll tax issues, distribution and grant making, excise tax rate planning, self-dealing, international activities, and the Forms 990, 990-PF, and 990-T.

Wendy has presented on private foundation tax issues at Philanthropy Northwest's Annual Conference and the Council on Foundation's Endowment and Finance Summit. In addition, she's presented webcasts on private foundation issues and has been the primary author of quarterly newsletters and a year-end tax planning guide for private foundations. Wendy led the creation of the firm's *Private Foundation Planning Analysis*, the *2021 Private Foundation Series*, and currently leads the firm's Private Foundation Conference planning committee.

### **Professional certifications and licenses**

- Member, American Institute of Certified Public Accountants
- Member, Oregon Society of Certified Public Accountants
- Member, Seattle Foundation Professional Advisors Council

### **Education**

- BA, accounting, Linfield University

### **Specific Experience**

- Higher Education Experience: 26 years of experience providing tax compliance and consulting services to higher education institutions
- Research Institutes: 26 years
- Auxiliary Experience: 26 years



## **Ryan Stedman, CPA – Senior Manager**

**Engagement Role: Tax Senior Manager**  
**100% dedicated to this engagement**

Ryan has practiced public accounting since 2013. She provides tax compliance, research, and consulting services to a wide variety of clients with an emphasis on not-for-profit entities. Ryan works with higher education, public charities, and health care industry entities and well as private foundations. She also has experience in exempt status structuring, application, and maintenance. She Ryan consults on a wide range of issues including public support planning, reasonable compensation best practices, tax impact of alternative investments, lobbying and political activities, unrelated business income tax planning, and foreign activities.

### **Professional certifications and licenses**

- Member, American Institute of Certified Public Accountants

### **Education**

- MA, accounting, Walsh College of Accountancy and Business Administration
- BS, psychology, Michigan State University

### **Specific Experience**

- Higher Education Experience: 7 years of experience reviewing Form 990s and providing tax consulting services to higher education institutions
- Research Institutes: 7 years
- Auxiliary Experience: 7 years

---

## 4. Estimated hours and staffing plan

### Expected timing

A breakdown of each phase of the audits and timing for each can be found in [section 7 Audit schedule and fieldwork timing](#).

### Estimated Hours

STAFF LEVEL	EST. HOURS
Principal	38
Senior Manager / Managing Director	64
Manager	183
Senior	241
Staff	391

### Number of auditors and amount of time on-site and remote

We anticipate approximately 15 days of audit work for the first-year audit with 6 to 9 auditors. We'll also perform various planning and auditing procedures from the office to limit the disruptions to CSUSB. In subsequent years, we'll likely be able to perform the audit effectively with fewer days on-site to further limit the disruption to CSUSB caused by visits.

We can complete your audit efficiently and at the same standard of quality as we would in person. In today's world of high technology, we're used to working with clients seamlessly even if we're not on-site and are equipped to make your service experience a close, personal one.

### Meeting deadlines

Our firm's organization is well suited to remaining nimble when unforeseen issues arise. Overall, the best way to make sure deadlines are met is careful planning. That's why we're so insistent about meeting with your team well before the engagement to agree on responsibilities and deadlines and to be proactive about addressing potential issues. In addition to planning, our relatively low staff turnover makes it extremely likely that your team will remain consistent throughout the engagement and even from year to year. The further value in a consistent team is their familiarity with CSUSB, which leads to more efficiency.

Our firm's staff is also used to being flexible, and our firm's philosophy means our professionals don't work for a particular office or region—they're part of a firmwide team and will go where they're needed at a moment's notice.

**Our audit and tax teams work together to give you greater business insight**

Due to the increasingly complex nature of the income tax issues our clients are experiencing, we have tax professionals focused on serving University Foundations. Our tax professionals are an integral part of our client service team and attend audit planning meetings, review preliminary client financial information to identify tax issues, and assist the auditors in auditing tax-related matters. This approach helps us devote the talents of our full team to addressing your needs, providing you with more practical, flexible, and agile service.

**Engagement team continuity**

Keeping your service team consistent from year to year saves you the time required to train a new team during an engagement and allows you to focus on what you do best—managing your day-to-day business. It also helps us complete the engagement in a more efficient and timely manner because the team is already familiar with your operations.

Team continuity is the hallmark of a stable and efficient firm and, with an overall retention rate averaging over 85% firmwide over the past three years, we’re in a strong position to maintain your engagement team continuity.

GROUP	2024 RETENTION	2023 RETENTION	2022 RETENTION
Client Service Professionals	82.5%	84.0%	82.6%
Administrative Staff	90.5%	91.7%	88.8%

*Please note, as historic information, this data is not yet representative of—or combined with—retention statistics from our recent merger.*

Our policy is to not rotate staff from an engagement team unless absolutely necessary. Typically, this would happen because a staff member left the firm or elected to change professional focus to a different industry group. As our retention statistics indicate, neither situation is very common. Still, if it were to become necessary to change members of your engagement team, we pledge to:

- Discuss any changes with you first
- Replace departing staff members with people of comparable skill and experience
- Take all the steps we can to make sure the transition is smooth

## 5. References

Hear for yourself the unique experience our clients have in working with our firm. We're confident they'll share stories of how we make their lives easier, help them identify and take advantage of rising opportunities, and guide them to increased prosperity.

Organization name, contact person, title, phone, and email	Description of engagement scope and duration	Year(s) services were performed.
<p><b>CSU Cal Poly Humboldt Auxiliaries and Ancillary entities</b></p> <p>Sarah Long, AVP Financial Operations &amp; University Controller (707) 826-4036 <a href="mailto:sarah.long@humboldt.edu">sarah.long@humboldt.edu</a></p>	<p>Financial statement audit and tax for Associated Students of Cal Poly Humboldt</p> <p>Financial statement audit and tax for Cal Poly Humboldt Foundation</p> <p>Financial statement audit, single audit, CPUC examination and tax of for Cal Poly Humboldt Sponsored Programs Foundation</p> <p>Financial statement audit and tax for Humboldt State University Center</p> <p>Financial statement audit for Children's Center of Cal Poly Humboldt</p> <p>NCAA agreed upon procedures (every three years)</p>	<p>2019-Current</p>
<p><b>ASU Enterprise Partners</b></p> <p>Virginia DeSanto, Chief Financial Officer / Treasurer (480) 965-1791 <a href="mailto:virginia.desanto@asuep.org">virginia.desanto@asuep.org</a></p>	<p>Financial statement audit and tax services</p>	<p>2023-Current</p>
<p><b>UC HASTINGS COLLEGE OF THE LAW</b></p> <p>David Seward, Chief Financial Officer (415) 596-7425 <a href="mailto:sewardd@uchastings.edu">sewardd@uchastings.edu</a></p>	<p>Financial statement audit, single audit and tax services</p> <p>Consulting engagements</p>	<p>2016-Current</p>

## 6. Fee proposal

AUDIT SERVICES	FY 2025-26	FY 2026-27	FY 2027-28
<b>University Enterprises Corporation (UEC)</b>			
Financial Statement Audit and Single Audit (assuming one major program)*	\$45,935	\$48,080	\$50,335
The Children's Center of University Enterprises Corporation Financial Statement Audit and Supplemental Reporting for the California Department of Education	\$12,000	\$12,600	\$13,230
Tax Forms	\$6,930	\$7,275	\$7,640
<b>Total</b>	<b>\$64,865</b>	<b>\$67,955</b>	<b>\$71,205</b>
<i>*Any additional major programs will be \$8,000 per program</i>			
<b>CSUSB Philanthropic Foundation</b>			
Financial Statement	\$35,000	\$36,750	\$38,585
Tax Forms – Foundation**	\$6,930	\$7,275	\$7,640
<b>Total</b>	<b>\$41,930</b>	<b>\$44,025</b>	<b>\$46,225</b>
<i>**If changes in alternative investments or hedge funds are noted in the future there may be additional work and fees</i>			
<b>Santos Manuel Student Union of California State University, San Bernardino (GASB)</b>			
Financial Statement Audit	\$36,000	\$37,800	\$39,690
Tax Forms	\$6,930	\$7,275	\$7,640
<b>Total</b>	<b>\$42,930</b>	<b>\$45,075</b>	<b>\$47,330</b>
<b>Associated Students of California State University, San Bernardino (FASB)</b>			
Financial Statement Audit	\$24,000	\$25,200	\$26,460
Tax Forms	\$4,840	\$5,080	\$5,340
<b>Total</b>	<b>\$28,840</b>	<b>\$30,280</b>	<b>\$31,800</b>
Transition meetings, review of predecessor auditor's workpapers, and getting up to speed		Included	
Attendance at your audit committee meetings, including:			
• Presentation of audit results		Included	
• Communication of internal control issues			
• Management letter			
<b>Total</b>	<b>\$178,565</b>	<b>\$187,335</b>	<b>\$196,560</b>

All audits will comply with OMB Circular A-133 / Uniform Guidance (2 CFR 200), as applicable.

## Billing rates and hours for proposed services

STAFF LEVEL	HOURLY RATE	ESTIMATED HOURS
Principal	\$680–\$710	38
Senior Manager / Managing Director	\$455–\$540	64
Manager	\$355–\$390	183
Senior	\$295–\$305	241
Staff	\$240–\$250	391

## Billing rates for out of scope services

Below are our rates for our consulting team.

STAFF LEVEL	HOURLY RATE
Principal	\$695–\$830
Senior Manager	\$540–\$570
Manager	\$410–\$455
Senior	\$320–\$355
Staff	\$260–\$280

## Joint pricing discounts for all four auxiliaries

Our fees above include a discount related to our engagement to audit all entities under the scope of this proposal. Fees stated above already include anticipated escalation based on historical indexes.

## Fee details

SUBJECT	THE DETAILS
Client acceptance procedures	The scope of work and fee quotes are subject to our client acceptance process, which: 1) verifies that all parties understand the specific services we're being asked to perform; 2) ensures contract terms are acceptable to both parties and in agreement with professional standards; and 3) confirms we've staffed the engagement with individuals qualified with the necessary experience to fulfill our commitments to our prospective client. We'll also need to complete our inquiries of your former auditor as required by our professional audit standards.
Expenses	Our engagement letter will provide an estimate of the expenses for the services to be provided. Direct travel expenses will be billed monthly as incurred.
Cost overruns	During the course of the audit, we'll measure our progress against our planned budget. If situations arise that are significantly different than our expectations, we'll bring them to your attention immediately and discuss various options before we proceed. We'll meet weekly during the course of fieldwork with the appropriate parties to ensure there are open lines of communication between our organizations.

SUBJECT	THE DETAILS
Future new audit, review, and accounting standards	Our fee estimate discussed herein is based on accounting and professional standards that exist and are applicable as of the date of this proposal. To the extent that future rulemaking activities require modification to our audit approach, procedures, scope of work, etc., we'll advise you of such changes and the impact on our fee proposal. If we're unable to agree on the additional fees, if any, that may be required to implement any new accounting, auditing, and review standards that are required to be adopted and applied as part of our engagement, we reserve the right to withdraw from the engagement, regardless of the stage of completion.
Routine phone calls and emails	Our policy is to not charge for short telephone calls seeking miscellaneous advice unless those consultations require significant additional work or research. If a matter requires further follow-up, we'll discuss a fee estimate with you before incurring significant time.
Minor research and consultation	If we're requested to provide minor research or consultation service, we'll estimate the number of hours necessary to provide the requested services. We'll then provide a fee quote for your approval before commencing any work. Our fees for these services are generally at our standard billing rates.
Single audit	Our fee estimate for the single audit is based on the assumption that you'll have one major program for fiscal year end June 30, 2026, and that there may be more or fewer major programs in each subsequent fiscal year. If additional major programs are required to be audited, we estimate the additional cost at \$12,000 to \$15,000 per major program.
Audit preparation	Our proposed fees are based on the presumption that your books and records will be ready for audit and minimal audit adjustments will be required. If accounting assistance is required to reconcile accounts, we'll discuss the issues with you, and additional fees will be billed separately, at our standard rates. Additionally, our fee quote assumes that we won't identify any audit findings, including significant deficiencies or material weaknesses. If potential audit findings are identified, costs for investigating and reporting them will be in addition to our audit fees.

## 7. Audit schedule and fieldwork timing

### Timeline and milestones

The following is a proposed first-year engagement e for your engagements. We'll discuss any adjustments you may need when we meet with you.

SERVICE DESCRIPTION	PROPOSED TIMING
<b>AUDITOR TRANSITION</b>	
Schedule to meet with your prior auditor to review their working papers	Upon selection
<b>AUDIT PLANNING</b>	
Meet with management for pre-audit planning and to obtain an understanding of systems, internal controls, and current-year issues	Upon selection
Provide management with a detailed list of items needed to perform the audit, including the timing of when items are needed	April 2026
<b>AUDIT FIELDWORK</b>	
Perform interim audit fieldwork and tests of internal controls, and federal compliance testing (single audit)	June 2026
Send confirmations of cash, investment, and other accounts as deemed necessary	July 2026
Perform substantive audit fieldwork	August 2026
<b>REPORT PREPARATION</b>	
Present draft of financial statements, audit report, and management letter to senior management	August/September 2026
Present draft of financial statements, audit report, and management letter to the audit committee or board of trustees	September 2026
<b>BOARD COMMUNICATIONS</b>	
Present final audit report, financial statements, and management letter to the board of directors or trustees	September 2026
<b>SINGLE AUDIT</b>	
Wrap-up of federal compliance audit (single audit)	September 2026
Present draft of single audit reporting, and audit reports to senior management	October 2026
Present final copy of single audit reporting, and audit reports to senior management	October 2026

## **Staffing resources and coordination plan**

To conduct the best audit possible, we'll assign a manager who will be on-site for the majority of the audit to provide daily supervision of the in-charge and staff accountants. This will involve directing and reviewing the efforts of the staff members performing the engagement and making sure engagement objectives are accomplished. Supervision will occur as work is performed to identify and resolve issues or inefficiencies in real time.

In general, our clients are served by a relationship owner who's responsible for managing the overall relationship and making sure we deliver quality service. The relationship owner is a principal level professional who focuses solely or primarily on serving clients in a particular industry. Each audit also has a quality control reviewer (an informed person not directly involved with the work), who has specialized knowledge and experience with foundations and University auxiliaries. We may also assign several staff- and senior-level accountants to the engagement, depending on the size of the engagement.

The engagement leader will be involved throughout the process and is available for technical questions and support. She, along with the engagement senior manager, will also be on-site for portions of the fieldwork because we believe this improves client service and facilitates rapid responses to any questions that arise during fieldwork. We anticipate approximately 35%–40% of the expected time budgeted for the engagement will be performed by the managers and partners assigned to the engagement.

---

## 8. Peer review report

Baker Tilly and its professionals, while conducting our professional services, work hard to meet auditing standards as promulgated by the AICPA and other applicable standard setters. Through the AICPA Peer Review Program, our system of quality control over the accounting and auditing practice applicable to non-SEC issuers is reviewed by another CPA firm every three years.

As of June 3, 2025, Baker Tilly and Moss Adams have merged, and both firms are in the process of integrating. Your proposed engagement team is a legacy Moss Adams team, so we've provided the relevant peer review information below as evidence of our continued ability to meet auditing standards in this response. When our next peer review is conducted, we expect both firms to be represented under one review.

For now, we can refer you to our most recent peer review, as conducted by Cherry Bekaert in 2023, which states that we achieved a "pass" opinion. A full copy of our most recent report is provided on the following pages and also posted on our website at [mossadams.com/about/peer-review-and-pcaob-report](https://mossadams.com/about/peer-review-and-pcaob-report). We can provide details on Baker Tilly's peer review process and results upon request.

We've been subject to a peer review under the AICPA Peer Review Program every third year since the inception of the program in the 1980s. Our report has always been unmodified. We don't maintain specific records of the engagements selected for review. However, every year, at least one (typically several) government audit has been selected for review.

## Peer review report



### Report on the Firm's System of Quality Control

To the Partners of Moss Adams LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Moss Adams LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended April 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

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

#### Firm's Responsibility

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

#### Peer Reviewer's Responsibility

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

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1<sup>®</sup> and SOC 2<sup>®</sup> engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Moss Adams LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2023, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Moss Adams LLP has received a peer review rating of *pass*.

*Cherry Bekaert LLP*

Atlanta, Georgia  
October 10, 2023

Peer review report (Cont.)



National Peer  
Review Committee

October 19, 2023

Jeffrey Brown  
Moss Adams LLP  
999 3rd Ave Ste 2800  
Seattle, WA 98104-4057

Dear Jeffrey Brown:

It is my pleasure to notify you that on October 19, 2023, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is October 31, 2026. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Michael Wagner". The signature is fluid and cursive.

Michael Wagner  
Chair, National PRC

+1.919.402.4502

cc: John Klisch, Erica Forhan

Firm Number: 900010050024

Review Number: 602495

---

## 9. Exceptions and disclosures

### **Disciplinary action and litigation statement**

As with any large firm, we are occasionally involved in addressing legal and regulatory issues. However, no action, suit, proceeding, inquiry, or investigation before or by any court or federal, state, municipal, or other government authority is pending, or to our knowledge is threatened against our firm, related to or which would have a material effect upon the services contemplated herein.

### **Conflicts of interest**

Baker Tilly doesn't currently serve CSU, CSUSB, or any personnel that we believe create a conflict of interest.

### **Meeting all your technical qualifications**

Our firm can meet all of your technical qualifications and we understand your needs may not be limited to any given engagement or even any given service. Our firm can surpass the level of support and value offered by a standard accounting firm. If you have questions related to any audit, tax, or consulting matters outside of your engagement team's expertise, we'll introduce you to the appropriate resource within our network and meet with you to discuss your options. We're well positioned to meet not only your immediate service needs, but also other needs that arise over time.

---

# Looking ahead

## Guiding your journey towards future growth and success

As we look ahead, we want to thank you for the valuable insights you've shared with us throughout this proposal process. Your input has allowed us to better understand the unique challenges and opportunities CSUSB faces.

Our services are designed to address these specific needs, helping you navigate complexities and achieve your strategic goals. We are committed to bringing the right people together at the right time to drive your success and look forward to future conversations about your unique opportunities.

We are excited to explore how Baker Tilly's capabilities can support your future growth, success, value creation and efficiencies.

Our team will always look for a better way to help you stay ahead of every curve on our journey together.

# THANK YOU

*The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought.*

*Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agent and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.*



FEBRUARY 6, 2026

# CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO AUXILIARY ORGANIZATIONS

PROPOSAL FOR PROFESSIONAL AUDITING AND TAX SERVICES  
FOR THE FISCAL YEARS ENDING JUNE 30, 2026 THROUGH 2028

CONTACT PERSONS:  
GARDENYA DURAN, CPA, CGMA  
gduran@ramscpa.net

BRAD WELEBIR, CPA, CGMA, MBA  
bwelebir@ramscpa.net

909.889.0871

PREPARED BY  
ROGERS ANDERSON MALODY & SCOTT, LLP  
735 E Carnegie Drive, Suite 100  
San Bernardino, CA 92408

LICENSE #2596  
FEIN 95-2662063

February 6, 2026

Jason A. Espinoza  
University Enterprises Corporation  
5500 University Parkway  
San Bernardino, CA 92407

We are pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP (RAMS), to your request for a proposal regarding professional audit and tax preparation services. As a recognized industry leader and innovator for over 78 years, our goal has been to provide honest, high-quality, and objective results to all our clients, including nonprofit organizations such as yours. This dedication has fueled our firm's tremendous organic growth while ensuring personalized, client-focused services, with some clients being with us for over 25 years.

At RAMS, we are committed to achieving the highest quality audit in the most effective manner possible. We understand the complexities of performing nonprofit audits, which is why we have a dedicated team of auditors with specialized knowledge and experience to ensure our audits are planned and executed efficiently and effectively, providing you with the highest quality services.

We understand that the California State University, San Bernardino Auxiliary Organizations (the Organizations) will review other proposals during this process, but we believe that RAMS is the exceptional choice for your audit for the following reasons:

**Reputation:** We have an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high-quality reporting.

**Advanced Tools:** We utilize Teammate Analytics, a suite of over 200 Computer Aided Audit Tools (CAATs), empowering our audit teams to perform powerful data analysis that enhances our substantive audit procedures and helps identify transactions or amounts indicative of potential fraud.

**Risk-Based Approach:** Our intelligent, risk-based audit allows us to focus on key audit areas, increasing efficiency and resulting in a higher quality audit at a reasonable fee.

**Experience:** We currently provide auditing services to over 70 governmental agencies and not-for-profit organizations, including over 30 cities with enterprise activities and over 35 special districts.

**Remote Capabilities:** We have developed a comprehensive remote working environment for our audits. All our staff are equipped to work remotely effectively and efficiently, ensuring a quality audit.

**Commitment to Deadlines:** We are committed to meeting all reporting/auditing deadlines, resolving any issues encountered during your audit, and providing you with quality audit services.

**Minimizing Stress:** We understand the audit process can be stressful for you and your staff. We strive to make the audit process as trouble-free as possible by comprehensively planning and utilizing our staff and audit technologies efficiently and effectively while minimizing disruptions and miscommunications.

**Personable Team:** Our audit team members are personable and easy to work with, yet focused on the audit. Through open and responsive communication, we aim to minimize operational distractions for your staff while maximizing quality service.

**Quality Control:** We have an extensive internal quality control review process to ensure your financial reports meet the highest standards. Each report prepared by the engagement team is reviewed by the engagement manager, and thoroughly examined by two partners and at least one professional proofreader.

**Award-Winning Assistance:** We have assisted many clients with the preparation of their Annual Comprehensive Financial Reports. All our clients who submitted reports for GFOA award have received them. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.

**Value for Investment:** Our fee estimate provides a fair and reasonable investment, commensurate with the level of service provided and the experience of the audit team members. While we may not be the lowest bidder, our focus is on delivering the best value and high-quality services, pricing our engagements accordingly.

**Local Presence:** As a Southern California firm, our employees live, work, and shop in the region, allowing local cities to benefit from our sales and property taxes.

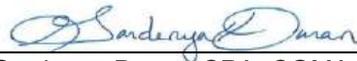
Our proposal is prepared clearly, concisely, and in accordance with the request for proposal. We believe our firm, staff, and reputation as a leader in governmental and nonprofit auditing exceed the need for the typical excessive information found in other proposals.

Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the professional staff assigned to this engagement. Mrs. Gardenya Duran, Partner and Mr. Brad Welebir, Partner, are authorized to represent the firm, submit the bid, and sign a contract with the Organizations. We understand the work to be done as listed in the section of this proposal titled "Understanding of the Engagement and Audit Approach," and we are committed to meeting any agreed-upon time frames. This proposal is a firm and irrevocable offer for ninety (90) days.

Thank you for the opportunity to present our proposal to the Organizations. We are committed to exceeding your expectations of an auditor and believe this proposal provides you with comprehensive information about our firm, service team members, and our customized audit approach. We look forward to establishing a long and mutually beneficial relationship with the Organizations. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

**ROGERS, ANDERSON, MALODY & SCOTT, LLP**



---

Gardenya Duran, CPA, CGMA  
Partner

**California State University, San Bernardino Auxiliary Organizations  
Proposal for Professional Auditing and Tax Services**

***Table of Contents***

	<u>Page</u>
Understanding of the Engagement and Audit Approach .....	1
Firm Description and Qualifications .....	8
Key Engagement Personnel.....	11
Estimated Hours and Staffing Plan .....	19
References .....	21
Fee Proposal .....	22
Audit Schedule and Fieldwork Timing.....	30
Peer Review Report .....	31
Exceptions and Disclosures .....	32

## Understanding of the Engagement and Audit Approach

Our primary objective is to conduct an audit of the financial statements of each Auxiliary Organization in accordance with required auditing standards and to express an opinion on those statements. Our engagement approach also offers several value-added benefits at no additional cost:

**Efficiency and Minimal Disruption:** Our audits are designed to be efficient and effective, minimizing disruption to office operations.

**Practical Observations and Recommendations:** We provide practical observations and recommendations on internal control issues, accounting standards implementation, and related policies and procedures.

**Operating Efficiency Opportunities:** We identify opportunities for operating efficiencies that can help reduce the Organization's operating costs.

By employing this comprehensive engagement approach, we ensure that the Organization's audit is conducted with the highest standards of quality and professionalism.

### *Audit approach and proposed audit segmentation*

Before beginning the engagement, we will complete the CSU 13175.00 compliance questionnaire to verify adherence to policy requirements.

The following is a summary of the audit team's approach for your engagement. The audit will be divided into the following segments:

**Segment 1 - Interim Testing:** Planning, Pre-Audit Administration, and Internal Control Testing

**Objectives:** During this phase, our principal objectives will be to gather information about the Organization and its environment, including its internal controls over financial reporting.

#### **Approach:**

- **Initial Meetings:**
  - Meet with the Organization's staff to determine convenient dates to begin our audit and to discuss the assistance to be provided by the Organization's staff.
- **Engagement Team Brainstorming:**
  - Hold brainstorming sessions with engagement team members to discuss the susceptibility of the Organization's financial statements to material misstatement and fraud.
- **Review and Evaluation:**
  - Review and evaluate the Organization's accounting and reporting processes by examining the prior year's audit workpapers, Organization-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, and minutes of governance meetings.
  - Perform analytical procedures to enhance our understanding of the Organization and identify areas that may need further assessment and additional testing.
- **Regulatory Review:**
  - Review and retain copies of any pertinent local, state, and federal statutes, regulations, or charters that apply to the Organization.

## Understanding of the Engagement and Audit Approach (continued)

- **Internal Control Evaluation:**
  - Obtain a thorough understanding of the Organization's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiries, and observation.
  - Evaluate the design of controls relevant to the audit and test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions and reviewing supporting documentation.
- **Management Communication:**
  - Document and review any findings noted during the testing of internal controls with management.
  - Provide a preliminary management letter with recommendations for improving any weaknesses in operations and suggestions for enhancing the efficiency of the Organization's operations.
- **Audit Data Analytics:**
  - Utilize powerful audit data analytic software to analyze large amounts of data quickly and focus on areas/transactions that are red-flagged.
- **Inventory Counts:**
  - Perform inventory counts for each Organization, if necessary to support audit procedures, on or around June 30.

### ***IT General Controls:***

- **Security Access Controls:**
  - Evaluate general system security settings, password parameters, processes for adding, deleting, and changing security access, access capabilities of various user types, access controls to networks and financial applications, data file access controls, and physical access to networks and servers.
- **Computer Operations:**
  - Evaluate backup and recovery processes and review procedures for identifying and handling operational problems.
- **System Development and Changes:**
  - Evaluate processes related to system development and system changes, if applicable.
- **Application Testing:**
  - Determine the necessity of testing application controls based on professional judgment during the planning stages of the engagement.

**Audit Team:** This phase will be performed by the audit supervisor, audit senior, and two to three staff accountants, under the direct supervision of the audit partner and audit manager.

This comprehensive approach ensures a thorough understanding of the Organization's financial environment and internal controls, setting a solid foundation for the audit.

## Understanding of the Engagement and Audit Approach (continued)

### **Segment 2 - Year-End Testing: Substantive Testing**

**Objectives:** During this phase, our primary objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit while evaluating audit findings, if applicable.

#### **Approach:**

- **Risk Assessment and Audit Plan Development:**
  - Identify significant risks and develop a detailed audit plan using the results from Segment 1.
- **Design and Perform Substantive Tests:**
  - Design substantive tests of account balances tailored to the Organization's operations and assessed level of risk. Substantive procedures will include testing material balance sheet accounts, material revenue and expenditure/expense accounts, along with various analytical procedures, as necessary.
  - Confirm various accounts with outside parties (e.g., cash, investments).
- **Risk Evaluation:**
  - Determine whether our testing supports the initially assessed level of risk at both the financial statement level and the assertion level.
- **Audit Adjustments:**
  - If any proposed audit adjustments are noted, we will discuss and explain them in detail with the appropriate level of management before posting.

**Audit Team:** This phase will be performed by the audit supervisor, audit senior, and two to three staff accountants, under the direct supervision of the audit partner and audit manager.

### **Segment 3 - Reporting: Report Preparation and Audit Conclusion (Workpaper Review)**

**Objectives:** During this phase, our principal objectives will be to evaluate whether the financial statements, as a whole, are free from material misstatement, form an opinion(s), and issue our report. Our reports will be prepared in accordance with US GAAP and Chapter 8 of the CSU GAAP Reporting Manual.

#### **Approach:**

- **Material Misstatement Evaluation:**
  - Determine, based on our substantive testing and other procedures, whether the financial statements, as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- **Workpaper Review:**
  - Review all audit workpapers to ensure the audit was performed in accordance with required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- **Quality Control Review:**
  - Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.
- **Report Presentation:**
  - The engagement Partner and/or Manager will present the draft and final audit reports to each Organization's Board or Audit Committee when requested.

## Understanding of the Engagement and Audit Approach (continued)

**Audit Team:** This phase will be performed by the audit supervisor, audit senior, and two to three staff accountants, under the direct supervision of the audit partner and audit manager. Additionally, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

**Customization and Communication:** The procedures listed above are general. After our initial review of the Organization and our detailed risk assessment, we will customize the engagement to address the specifics of the Organization and the audit itself. We will determine which procedures to perform based on our risk assessment. All our audits are customized to each entity, ensuring a complete, effective, and efficient audit. Our approach is founded on open communication, a strong knowledge of the Organization's operations, and detailed planning at the initial stages of the audit.

**Timeliness and Resource Allocation:** Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with Organization staff to agree on adequate timeframes for the performance of the audit and the release of the financial statements. We will allocate the necessary resources to meet these agreed-upon timeframes.

### *Sample sizes (including for compliance testing)*

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

### *Intelligent audit technology*

Our audits leverage advanced technology through powerful software tools such as Engagement and Teammate Analytics. Additionally, all audit team members are connected wirelessly, enabling real-time information sharing. The benefits of our audit technologies include:

**Teammate Analytics:** This suite of over 200 dynamic Computer Aided Audit Tools (CAATs) allows us to analyze large amounts of data in seconds. Using data directly from the Organization, we can search for duplicate checks, detect transactions during unusual hours or on holidays/weekends, perform Benford's Law analysis, and identify instances where a vendor has issued multiple invoices with sequential references, among many other tests. This empowers our audit teams to perform powerful and meaningful data analysis, enhancing our value-added services.

**Customized Analytical Schedules:** We create our own analytical schedules to easily compare current balances to prior year balances and current vs. budget balances, significantly reducing the time required from Organization staff.

**Real-Time Financial Statement Analysis:** Once your trial balances and financial statements are entered into our software, we can review your financial statements in the field, allowing us to notice and address any variances immediately.

## Understanding of the Engagement and Audit Approach (continued)

**Linked Financial Statement Schedules:** We link financial statement schedules directly to our audit software trial balances, enabling us to provide each Organization with draft financial statements in a timely manner.

**Audited Trial Balances:** We provide each Organization with audited trial balances that show the coding of the financial statement schedules, making it easier for staff to review. These reports include each account coded to a specific financial statement line item/function and journal entries posted during the audit.

### *Analytical procedures*

To effectively utilize analytical procedures, industry background and knowledge are essential. With our firm's extensive experience and qualified staff, we possess the necessary knowledge to apply analytical procedures efficiently throughout our audit of the Organizations.

- **Interim Phase:**
  - Compare current and prior year unadjusted balances to identify areas requiring additional analysis.
  - Compare current year actual amounts to the Organization's annual budget (both original and adopted).
- **Final Phase:**
  - Perform procedures similar to those in the interim phase.
  - Compare certain financial ratios for current and prior years.
  - Conduct reasonableness tests.
  - Investigate any significant variances further through inquiry and additional substantive testing until resolved to our satisfaction.
- **Post-Fieldwork:**
  - Compare current and prior year audited balances, considering expected relationships based on our knowledge of the Organization, similar entities, and the general economic environment.
  - Utilize additional analytical techniques such as trend analysis as needed.

***Unlike other audit firms, we use analytical procedures to supplement, not supplant, our substantive testing, ensuring a thorough and comprehensive audit***

### *Auditing in a remote environment*

The evolution of technology has revolutionized the accounting and auditing profession, enabling us to provide high-quality services remotely with efficiency, precision, and timeliness. During the COVID-19 pandemic, our firm adapted quickly to a fully remote audit environment and developed processes that have since become integral to our standard approach. These advancements not only enhanced the quality of our audits but also resulted in significant efficiencies for both our team and our clients.

## Understanding of the Engagement and Audit Approach (continued)

### **Remote Audit Approach**

- **Technology Utilization:**

- We use secure cloud-based platforms for document sharing and management, such as Engagement Organizer, ensuring client data remains safe and accessible.
- Video conferencing tools (e.g., Zoom, Microsoft Teams) facilitate real-time communication with Organization staff, enabling collaborative discussions and efficient issue resolution.

- **Workflow and Communication:**

- Regular Communication: We maintain routine contact with clients throughout all phases of the audit via email, phone calls, and video meetings.
- Responsiveness: Our team prides itself on quick turnaround times for questions or issues, making remote collaboration as seamless as on-site interactions.

- **Flexibility for On-Site Presence:**

- While we anticipate performing the majority of our work remotely, we understand that some aspects of the audit may benefit from an on-site presence. If desired, we will work with the Organization to determine an acceptable staffing level for in-person activities, balancing health, safety, and operational needs.

### **Benefits of Remote Auditing**

- **Efficiency Gains:**

- Remote auditing reduces the need for travel time, allowing both auditor and auditee to focus on the tasks at hand, resulting in faster turnaround on requests and issue resolution.
- Immediate access to digital documents and records eliminates delays associated with physical transfers of information.

- **Enhanced Quality of Life:**

- By minimizing travel, our staff can dedicate more time to client work and professional development, improving overall morale and productivity.

- **Environmental Impact:**

- Reducing unnecessary travel decreases traffic congestion, lowers fuel consumption, and contributes to improved air quality in Southern California.

- **Year-Round Availability:**

- Our remote-first approach fosters an ongoing partnership, encouraging clients to reach out throughout the year for guidance on matters that could impact the audit or their financial reporting.

### *Commitment to client collaboration*

We understand that each client's needs are unique, and we remain flexible in our approach to ensure the audit process aligns with the Organization operational requirements. Our primary goal is to provide a smooth and efficient audit experience, leveraging technology while maintaining the personal connection and professionalism our clients expect. Should the need arise for on-site activities, our team will seamlessly integrate in-person work while maintaining the efficiencies gained through remote auditing practices.

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Understanding of the Engagement and Audit Approach (continued)

### *Services to be provided*

The Organization desires the auditor to express opinions on the fair presentation of the financial statements for the following: University Enterprises Corporation, CSUSB Philanthropic Foundation, Santos Manuel Student Union, Associated Students, Inc., and The Children's Center of the University Enterprises Corporation in accordance with generally accepted accounting principles.

In addition, we shall:

- Prepare the financial statements and supporting schedules for each auxiliary with management's direct oversight and approval.
- Prepare Management Letter that includes findings, observations comments, or recommendations concerning internal controls, accounting systems, compliance with laws, and other material matters.
- Prepare a Single Audit Report over federal awards for the University Enterprises Corporation.
- Prepare the following tax returns, as applicable:
  - Federal Form 990/990-T
  - California Form 199
  - California Form 109
  - California Form RRF-1
  - Annual Registration Renewal Fee Report
- Perform as-needed services, such as conducting inventory counts or physical observations.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance).
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- A report on the fair presentation of the financial statements in conformity with GAAP.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (material weaknesses or significant deficiencies).
- A management letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to management of the respective Organization.
- Be available for presentation of the draft and final reports to each auxiliary Audit Committee and Board of Directors, as requested.
- Participate in predetermined meetings for annual Audit Committee and Board meetings, as requested.
- Maintain the auxiliaries informed of all relevant FASB, GASB, or OMB pronouncements and other audit rules, regulations, or emerging standards that could materially impact reporting or compliance.
- Provide periodic updates on federal and state law changes that may affect filing obligations or organizational status.
- Maintain year-round communication and availability for consultation on accounting or audit related matters at no additional cost, unless otherwise pre-approved.

## Firm Description and Qualifications

### *Firm information*

We are a local firm, established in 1948, located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. As a comprehensive accounting firm, we offer a full spectrum of services. With over 75 years of public practice experience, we are one of the oldest, most trusted, and respected CPA firms in Southern California, specializing in auditing, accounting, and management advisory services for governmental agencies and not-for-profit organizations. Annually, we dedicate over eighteen thousand hours to our audit practice, encompassing cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. Our focus on government and nonprofit accounting and auditing is a primary commitment, ensuring we deliver top-quality services to local governments and organizations.

We recognize the importance of engaging auditors with a deep understanding of the complex and ever-evolving accounting and compliance issues that nonprofits face today. Our firm boasts a rich history in nonprofit accounting and auditing, equipping us with invaluable experience, in-depth knowledge, and the technical expertise necessary to conduct high-quality audits. This expertise enables us to provide exceptional service and effective solutions at competitive fees, reflecting our value to clients. Furthermore, our active participation in various industry associations ensures we stay updated on the latest issues in governmental and nonprofit accounting, auditing, and operations. We promptly share any valuable insights with our clients to enhance their benefit.

Our firm has a total staff of fifty-four people, which includes sixteen certified public accountants. The staff consists of six partners, six managers, sixteen supervisors/senior accountants, twenty-two staff accountants, and four support staff. The audit staff consists of thirty-five members who devote over 80% of their time to municipal engagements.

The engagement team assigned to the Organization's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor, one audit senior, and two to three staff auditors. All personnel are out of our San Bernardino office and have prior experience with multi-entity audits.

## Firm Description and Qualifications (continued)

### *Partner and supervisory staff involvement*

Our partners and supervisory staff are actively and continuously involved in all aspects of their engagements. We believe that their involvement is a key aspect of the overall audit process. This includes being on-site for interim and year-end fieldwork, ensuring a proper, efficient, and effective audit with minimal disruption to your staff. The time spent on-site by partners and supervisory staff allows them to understand the Organization's accounting processes and procedures thoroughly. This understanding helps in evaluating and developing opportunities for efficiency and offering practical advice to improve your accounting processes and procedures.

All professionals on this engagement have extensive experience with audits similar to the Organization's, eliminating the need for the Organization to train our team.

### *Single audit experience*

Many of our municipal clients, as well as other governmental and not-for-profit clients, require audits in accordance with Uniform Guidance. Recently, we have conducted single audits for numerous entities.

Our specialized Single Audits Team is led by Partners and Managers who hold Intermediate and Advanced Single Audit Certifications from the AICPA, ensuring a successful and thorough engagement.

### *Staff continuity*

Maintaining continuity of audit staff is a principal concern for our firm. To retain our staff, we offer competitive wages, advancement opportunities, generous medical packages, a retirement plan, bonus opportunities, and educational benefits. While we strive for continuity, we acknowledge that staff changes may occur. We plan to provide consistent staff year to year, which is in the best interest of both the Organization and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. In case of staff changes, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be replaced if they leave the firm or are promoted. However, the Organization reserves the right to accept or reject replacements.

Due to the significant involvement of our partners in all engagements, any staff transition would have a minimal impact on audit efficiency and effectiveness in subsequent years.

### *Continuing professional education*

Our auditor specialists stay current in this technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of Government Auditing Standards and the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs sponsored by various organizations, including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers, and the Association of Government Accountants. These programs ensure our clients are serviced by the best-trained and most proficient auditors and accountants available. We also provide in-house training conducted by our partners and senior staff using published resources. All staff are required to attend fraud and ethics training. Our goal is to provide professional staff with continuing education that exceeds the minimum standard of 80 hours over two years.

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Firm Description and Qualifications (continued)

### *Governmental Audit Quality Center*

As a member of the American Institute of CPAs *Governmental Audit Quality Center*, we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental and not-for-profit audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental and not-for-profit audit practice to deliver the highest quality audit services possible.

In addition, the Governmental Audit Quality Center provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership provides us with timely information on a variety of technical, legislative and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations which we pass on to our clients.

### *Engagement quality control*

Our internal quality control review process ensures your audit meets the highest standards. Financial reports prepared by a senior member of the engagement team undergo multiple levels of review: first by the engagement manager/supervisor, followed by the engagement partner, and finally a technical review by the engagement Quality Control partner. Additionally, all reports are proofread by at least one professional staff member. All audit workpapers are reviewed by the in-charge auditor and the partner in charge of the engagement.

### *License to practice in California*

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

### *Independence*

Rogers, Anderson, Malody & Scott, LLP is independent of the Organization and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

### *Current and recent clients served*

Below is a summary of similar clients/not-for-profit entities.

Arrowhead Regional Medical Center Foundation	DOVES of Big Bear Valley	Inland Southern California United Way and Subsidiaries	Orange County Medical Association
California Housing Foundation	Foundation Administrative Services	Montessori in Redlands	Parkview Legacy Foundation
Carden Arbor View School	Helping Hearts Arizona	National Giving Foundation	RCMA and Affiliates
Children's Fund	Helping Hearts California	National Orange Show	San Bernardino County Medical Society
Community Christian College	Inland Empire Resource Center	Option House	Sherrifs Employee Benefits Association

## Key Engagement Personnel

Our goal is to provide you with capable, competent, and personable individuals who possess an extensive background in nonprofit accounting, auditing, and general business practices. This allows us to offer practical solutions and technical support, keeping you at the forefront of nonprofit accounting and helping you navigate complex issues.

Our engagement team has the managerial and supervisory experience to provide the Organizations with a comprehensive audit of the highest quality while focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. These individuals will be assigned to the engagement for the entire contract period.

### *Gardenya Duran, CPA, CGMA – Partner, Engagement Partner*

Gardenya will serve as the Engagement Partner for your audit. She is licensed to practice as a certified public accountant in the State of California and brings over 15 years of public accounting experience, specializing in serving local governments and not-for-profits. As the engagement partner, Gardenya will be responsible for the overall quality of the engagement, ensuring it is performed efficiently and effectively. She will directly oversee all engagement staff, assist in planning and performing the engagement, and review all workpapers and required reports prepared during the engagement.

Gardenya, like all our partners, is a working partner and will be actively involved in all aspects of the engagement, ensuring a high standard of service and attention to detail throughout the process.

### *Brad Welebir, CPA, CGMA, MBA – Partner, Concurring Partner*

Brad will be the Concurring Partner. He is licensed to practice as a certified public accountant in the State of California and has over 20 years of governmental and not-for-profit accounting and auditing experience. As the concurring partner, Brad will work directly with Gardenya in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team. As the concurring partner, he will be responsible for ensuring tax filings are complete and accurate.

### *Scott Manno, CPA, CGMA – Partner, Quality Control Reviewer*

Scott will be the Quality Control Reviewer. He is licensed to practice as a certified public accountant in the State of California and has over 25 years of practical, governmental accounting and auditing experience. Scott will be responsible for the final quality control review of all released opinions and related reports.

### *Evelyn Morentin-Barcena, CPA – Audit Manager*

Evelyn is an Audit Manager with the firm. She is licensed to practice as a certified public accountant in the State of California. Evelyn has over 10 years' experience in providing accounting and auditing services for municipalities, special districts and various not-for-profit organizations. As an audit manager, she will work directly with the audit supervisor and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit supervisor, she will also oversee the preparation of any required reports.

## Key Engagement Personnel (continued)

### *Jeffrey McKennan, CPA – Audit Supervisor*

Jeffrey is an Audit Supervisor with our firm. He is licensed to practice as a certified public accountant in the State of California. Jeffrey has over 5 years of experience in providing accounting and auditing services to municipalities, special districts, and various not-for-profit organizations. As an audit supervisor, he will work directly with the audit manager and partner, while supervising the engagement team during all phases of the engagement. He will assist the Audit Senior in planning the audit and in the preparation of any required reports.

### *Putri Wijaya – Audit Senior*

Putri is an Audit Senior with our firm, bringing 3 years of experience in providing accounting and auditing services to municipalities, special districts, and various not-for-profit organizations.

As an Audit Senior, Putri will work closely with the engagement partner and manager. She will be responsible for planning the audit, supervising the staff assigned to the engagement, and reviewing all workpapers prepared for the engagement. Additionally, she will oversee the preparation of any required reports, ensuring thoroughness and compliance with all standards.

### *Staff level accountants*

All staff employed by us and working on not-for-profit audits are qualified to perform not-for-profit audits. Each staff member is encouraged to take on increased responsibility for engagements previously worked on. This enables our staff to grow on each engagement and allows them to continue to gain the skills and knowledge required to perform the audits.

In summary, we emphasize the credentials of the professionals who will be directly responsible for the quality of service you will receive. Additionally, our audit team possesses an important, albeit intangible, attribute: the professionals assigned to your audits have previously worked together as a multi-disciplined team. This ensures a smooth, efficient, and effective audit process. We are committed to allocating the necessary resources to ensure continuity of personnel throughout our relationship with the Organizations.

## Key Engagement Personnel (continued)

### Engagement team resumes



**Gardenya Duran, CPA, CGMA**  
**Engagement Partner**

#### *Professional experience*

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in June 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Currently, Mrs. Duran serves as a technical reviewer for the GFOA ACFR Award program. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

#### *Education/licenses*

Bachelor of Science – California State University, San Bernardino  
Certified Public Accountant – State of California  
Chartered Global Management Accountant – American Institute of Certified Public Accountants

#### *Related professional experience*

Partial listing of relevant entities served:

CSUSB Philanthropic Foundation	National Orange Show, Inc.	Redlands Day Nursery
CSUSB University Enterprises Corp.	Alumni Association of the LLUSM	Redlands Symphony Association
Inland Southern California United Way	Riverside County Medical Association	Community Christian College
San Diego Workforce Partnership	Sheriffs Employee Benefits Association	Lutheran Braille Workers, Inc.

#### *Continuing professional education*

Mrs. Duran has completed over 120 hours of continuing professional education courses in the past three years.

#### *Professional affiliations*

Mrs. Duran is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

**Key Engagement Personnel (continued)**

**Brad Welebir, CPA, CGMA, MBA**  
**Concurring Partner**



*Professional experience*

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in January 2004. He works primarily on audits of governmental agencies, small to mid-sized businesses, and not-for-profit organizations. Mr. Welebir serves as a technical reviewer for the GFOA ACFR Award program. He also serves as the CalCPA Inland Empire chapter chair of the governmental accounting and auditing committee and as the representative for the chapter at the state committee.

*Education/licenses*

Master of Business Administration - Accounting Emphasis from California State University, Fullerton

Bachelor of Arts in Business Administration from La Sierra University

Certified Public Accountant - State of California

Chartered Global Management Accountant - American Institute of Certified Public Accountants

*Related professional experience*

Partial listing of relevant entities served:

Benson House	Inland Empire Autism Assessment Center
Bright Prospect	Aspire Hope
Redlands Day Nursery	Precious Hearts Academy
Alumni Association of the LLUSM	San Diego Workforce Partnership
Redlands Symphony Association	Riverside County Medical Association
Redlands Bowl Performing Arts	San Bernardino County Medical Society
Sheriffs Employees Benefits Association	CSUSB Philanthropic Foundation
Inland Wellness Information Network	CSUSB University Enterprises Corp
National Electrical Contractors Association	National Orange Show

*Continuing professional education*

Mr. Welebir has completed over 120 hours of continuing professional education courses in the past three years.

*Professional affiliations*

Mr. Welebir is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)
- ◆ California Special Districts Association (CSDA)

**Key Engagement Personnel (continued)**



**Scott W. Manno, CPA, CGMA**  
**Quality Control Partner**

*Professional experience*

Mr. Manno began his career with Thomas, Bigbie and Smith in 1996 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program and he is also on the GFOA Special Review Executive Committee. In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting which meets periodically to discuss current events, pronouncements, etc.

*Education/licenses*

Bachelor of Science, Business Administration – California State University, San Bernardino  
 Certified Public Accountant – State of California  
 Chartered Global Management Accountant – American Institute of Certified Public Accountants

*Related professional experience*

Partial listing of relevant governmental and non-profit entities served (\*includes enterprise fund accounting):

Western Municipal Water District	Vallecitos Water District	National Orange Show, Inc.	Crestline Village Water District
San Bernardino Valley Municipal Water District	San Geronio Pass Water Agency	Community Action Partnership of SB County	Twentynine Palms Water District
Montessori in Redlands	Helix Water District	East Valley Water District	Vista Irrigation District
Elsinore Valley WD	Valley Sanitary District	Saticoy Sanitary District	National Orange Show

Mr. Manno has completed over 200 hours of continuing professional education courses over the past three years.

*Professional affiliations*

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Association of Government Accountants (AGA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Special Districts Association (CSDA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

**Key Engagement Personnel (continued)**



**Evelyn Morentin-Barcena, CPA**  
**Audit Manager**

*Professional Experience*

Mrs. Morentin-Barcena is an Audit Manager with the firm. She has over 10 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit manager, she will work closely with the engagement partner and supervisor and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Evelyn serves as a technical reviewer for the GFOA ACFR Award program.

*Education*

Bachelor of Science – California State University, San Bernardino  
 Certified Public Accountant – State of California  
 Intermediate Single Audit Certificate – AICPA

*Related professional experience*

Partial listing of relevant entities served:

Community Christian College	DOVES of Big Bear Valley	CSUSB Philanthropic Foundation
Redlands Day Nursery	Option House	CSUSB University Enterprises Corp
National Orange Show, Inc.	San Bernardino County Special Districts	Santos Manuel Student Union
Inland Southern California United Way	National Giving Foundation	Associated Students Incorporated

*Continuing Professional Education*

Ms. Morentin-Barcena has completed over 120 hours of continuing professional education courses over the past two years.

*Professional affiliations*

Ms. Morentin-Barcena is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Key Engagement Personnel (continued)



**Jeffrey McKennan, CPA**  
**Audit Supervisor**

### *Professional Experience*

Mr. McKennan joined Rogers, Anderson, Malody & Scott, LLP in May 2021, primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations.

### *Education*

Master of Science in Accountancy – California State University, San Bernardino  
Bachelor of Arts in Business Administration – California State University, San Bernardino  
Certified Public Accountant – State of California

### *Related professional experience*

Partial listing of relevant entities served:

National Orange Show, Inc.  
San Bernardino County Medical Society  
Community Christian College  
Rosamond Community Services District

Capital Holdings, Inc.  
Affordable Community Living Corporation  
Inland Southern California United Way  
San Diego Workforce Partnership

### *Continuing Professional Education*

Mr. McKennan has completed over 106 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Audit Red Flags - Navigating Financial, Behavioral, and Control Risks in Auditing
- ◆ Fraud Review
- ◆ Auditing Internal Controls

### *Professional affiliations*

Mr. McKennan is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

**Key Engagement Personnel (continued)**



**Putri Wijaya**  
**Audit Senior**

*Professional experience*

Mrs. Wijaya joined Rogers, Anderson, Malody & Scott, LLP in 2023, primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As an audit senior, she will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

*Education*

Bachelor of Arts in Business Administration - California State University, San Bernardino  
Master of Science in Accountancy - California State University, San Bernardino

*Related professional experience*

Partial listing of relevant governmental agencies served:

Children's Fund  
National Orange Show, Inc.  
Orange County Medical Association

DOVES of Big Bear Valley  
Option House  
Valley of Enchantment Mutual Water Company

*Continuing professional education*

Mrs. Wijaya has completed over 80 hours of continuing profession education courses over the past two years.

*Professional affiliations*

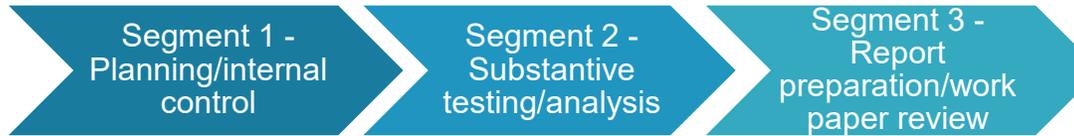
Mrs. Wijaya is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Estimated Hours and Staffing Plan

Following an entrance meeting with management for pre-audit planning and preliminary risk assessment, our audit will be conducted in the following segments:



<b>Anticipated timing of each segment</b>		
<b>May/June</b>	<b>July/August</b>	<b>August/September</b>
<ul style="list-style-type: none"> <li>• Obtain an understanding of systems, internal controls, and current-year issues.</li> <li>• Assess and evaluate design and implementation of key internal controls (including IT related).</li> <li>• Perform tests of internal controls as needed.</li> <li>• Identify control deficiencies</li> <li>• Perform detailed risk assessment procedures.</li> <li>• Draft internal control comment letter.</li> <li>• Develop detailed audit plan – provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed.</li> <li>• Perform an inventory count, if required.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform substantive audit fieldwork, including substantive analytical procedures.</li> <li>• Consider whether audit evidence is sufficient to form an opinion.</li> <li>• Conduct exit conference with management to discuss proposed entries, internal control issues, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement.</li> <li>• Review all workpapers.</li> <li>• Evaluate financial statements and note disclosures.</li> <li>• Perform final analytical procedures.</li> <li>• Draft required reports.</li> <li>• Issue final required reports by or before agreed upon date.</li> <li>• Present to governing body as needed.</li> </ul>

Our firm is fully equipped to conduct our audits remotely as well as on-site. Before beginning fieldwork, we will meet with management of the Organizations to determine the most efficient and appropriate method of fieldwork to meet their needs.

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Estimated Hours and Staffing Plan (continued)

Below is an approximate allocation of staff resources across the Auxiliary Organizations:

### University Enterprises Corporation

Segment	Partner	Manager	Supervisor	Senior	Staff	Total
Segment 1	4	6	9	9	52	80
Segment 2	7	10	14	14	69	114
Segment 3	<u>7</u>	<u>9</u>	<u>12</u>	<u>12</u>	<u>16</u>	<u>56</u>
Totals*	<u>18</u>	<u>25</u>	<u>35</u>	<u>35</u>	<u>137</u>	<u>250</u>

\* = excludes Single Audit hours

### Philanthropic Foundation

Segment	Partner	Manager	Supervisor	Senior	Staff	Total
Segment 1	3	3	3	5	38	52
Segment 2	5	5	3	8	50	71
Segment 3	<u>5</u>	<u>5</u>	<u>4</u>	<u>7</u>	<u>11</u>	<u>32</u>
Totals*	<u>13</u>	<u>13</u>	<u>10</u>	<u>20</u>	<u>99</u>	<u>155</u>

### Associated Students Incorporated

Segment	Partner	Manager	Supervisor	Senior	Staff	Total
Segment 1	2	2	1	3	41	49
Segment 2	3	3	1	3	55	65
Segment 3	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>13</u>	<u>26</u>
Totals*	<u>8</u>	<u>8</u>	<u>5</u>	<u>10</u>	<u>109</u>	<u>140</u>

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Estimated Hours and Staffing Plan (continued)

### Santos Manuel Student Union

Segment	Partner	Manager	Supervisor	Senior	Staff	Total
Segment 1	2	2	1	3	41	49
Segment 2	3	3	2	3	55	66
Segment 3	<u>3</u>	<u>3</u>	<u>2</u>	<u>4</u>	<u>13</u>	<u>25</u>
Totals*	<u>8</u>	<u>8</u>	<u>5</u>	<u>10</u>	<u>109</u>	<u>140</u>

### Child Development Center at University Enterprises Corporation

Segment	Partner	Manager	Supervisor	Senior	Staff	Total
Segment 1	1	2	-	-	8	11
Segment 2	1	2	-	-	10	13
Segment 3	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>6</u>
Totals*	<u>4</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>30</u>

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## References

**Entity:** *National Orange Show, Inc.*  
**Scope of work:** Audit, Financial Statement Preparation, Federal Form 990 Preparation  
**Date:** Years ending June 30, 2013 - present  
**Total hours:** Approximately 140 hours each year  
**Contact person:** Sheri Raborn, Chief Executive Officer, 909-888-8788 x432,  
sraborn@nosevents.com

**Entity:** *Inland Southern California United Way*  
**Scope of work:** Audit, Financial Statement Preparation, Single Audit  
**Date:** Years ending June 30, 2021 - present  
**Total hours:** Approximately 300 hours each year  
**Contact person:** Ms. Byanca Smith, Chief Financial Officer, 951-697-4700 x1024,  
byancas@iscuw.org

**Entity:** *Redlands Day Nursery*  
**Scope of work:** Audit, Financial Statement Preparation, Child Development Center Audit  
**Date:** Years ending June 30, 2019 - present  
**Total hours:** Approximately 250 hours each year  
**Contact person:** Ms. Linda Kirwan, Executive Director, 909-792-9717,  
lkirwan@redlandsdaynursery.com

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Fee Proposal

Our proposed fees for each Organization are as follows:

Entity	Fiscal Year		
	2026	2027	2028
<b>University Enterprises Corporation</b>			
Annual audit, financial statements, and related reports	\$ 35,375	\$ 36,660	\$ 37,950
Single audit (fee per major program)	5,880	6,100	6,330
Tax return preparation*	8,110	8,410	8,720
Total	<u>\$ 49,365</u>	<u>\$ 51,170</u>	<u>\$ 53,000</u>
<b>CSUSB Philanthropic Foundation</b>			
Annual audit, financial statements, and related reports	\$ 21,250	\$ 22,030	\$ 22,810
Tax return preparation*	4,920	5,100	5,290
Total	<u>\$ 26,170</u>	<u>\$ 27,130</u>	<u>\$ 28,100</u>
<b>Santos Manuel Student Union</b>			
Annual audit, financial statements, and related reports	\$ 17,450	\$ 18,100	\$ 18,760
Tax return preparation*	4,270	4,430	4,590
Total	<u>\$ 21,720</u>	<u>\$ 22,530</u>	<u>\$ 23,350</u>
<b>Associated Students, Inc.</b>			
Annual audit, financial statements, and related reports	\$ 17,450	\$ 18,100	\$ 18,760
Tax return preparation*	4,270	4,430	4,590
Total	<u>\$ 21,720</u>	<u>\$ 22,530</u>	<u>\$ 23,350</u>
<b>Children's Center of the UEC</b>			
Annual audit, financial statements, and related reports	\$ 5,500	\$ 5,700	\$ 5,910
Total	<u>\$ 5,500</u>	<u>\$ 5,700</u>	<u>\$ 5,910</u>

Hours and billable rates by staff classification are as follows:

Audit*	Hours	Hourly rates		
		FY 2026	FY 2027	FY 2028
Partner	39	\$ 350	\$ 362	\$ 375
Manager	46	250	259	268
Supervisor	50	200	207	214
Senior	75	175	181	187
Staff	375	130	135	140
Tax return				
Partner	12	\$ 350	\$ 362	\$ 375
Manager	14	250	259	268
Supervisor	5	200	207	214
Senior	-	175	181	187
Staff	99	130	135	140

\*excludes single audit hours

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Fee Proposal (continued)

Out-of-scope services will be billed at the standard hourly rate as listed in the previous table. These fees are to be considered fixed, and not subject to escalation for the duration of the contract.

Reimbursable expenses would include mileage traveled by personnel for on-site fieldwork, at the IRS business standard mileage rate for the respective year.

## Audit Schedule and Fieldwork Timing

<u>Audit segments</u>	<u>Proposed timing</u>
<b>Segment 1 - Planning, pre-audit administration and internal control testing (interim)</b>	
Entrance Conference to meet with management for pre-audit planning, and to obtain an understanding of systems, internal controls, and current-year issues. Perform interim audit fieldwork and tests of internal controls.	May 2026
Provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed. Perform inventory counts, if required.	June 2026
<b>Segment 2 - Substantive testing (year-end)</b>	
Send confirmations of cash, investment, and other accounts as deemed necessary.	July 2026
Perform substantive audit fieldwork and hold Exit Conference with Management to summarize the fieldwork and review findings.	August 2026
<b>Segment 3 - Report preparation/audit conclusion (workpaper review)</b>	
We will have draft financial statements, reports, and recommendations to management	August 26, 2026
Issuance of all draft financial statements and related reports	September 9, 2026
Issuance of all final financial statements and audit reports	September 19, 2026
Issuance of draft Single Audit report	October 6, 2026
Issuance of final Single Audit report	October 23, 2026

### *Quality of service and engagement team*

The quality of service you receive hinges on the capabilities of the individuals assigned to your engagement and how effectively these personnel resources are organized. Our professionals are highly trained, knowledgeable, and have a deep understanding of the environment in which governmental and not-for-profit entities operate. This expertise is crucial for providing the Organization with an effective and efficient audit.

Our engagement team brings significant experience and a practical understanding of nonprofit accounting and auditing, combined with a broad business perspective. Each member has access to a wide range of technical resources and knowledge bases, enabling them to offer practical observations and effective solutions to the Organization.

# California State University, San Bernardino Auxiliary Organizations Proposal for Professional Auditing and Tax Services

## Peer Review Report

As a member of the AICPA Private Companies Practice Section, our firm has actively participated in the "Peer Review" program since 1993. Every three years, an independent firm of certified public accountants conducts an external review of our firm. This participation ensures that our engagements, firm policies, and audit procedures consistently meet the standards set by the AICPA, the Yellow Book, and the California State Board of Accountancy. Notably, throughout our participation in this program, our firm has consistently received pass ratings from the peer reviewers.

During each peer review, an independent firm assesses our policies and procedures and inspects a representative sample of engagement workpapers and reports, including those related to governmental entities and engagements subject to the Uniform Guidance. For the year ended November 30, 2023, our firm received a pass rating. This rating indicates that our auditing practices are suitably designed and complied with, providing reasonable assurance of performing and reporting in accordance with applicable standards. The results affirm that our custom audit approach and procedures are technically sound and compliant with all relevant standards.

### Grant Bennett Associates A PROFESSIONAL CORPORATION



#### Report on the Firm's System of Quality Control

August 26, 2024

To Rogers, Anderson, Malody & Scott, LLP and the Peer Review Committee of the California Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

#### Firm's Responsibility

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

#### Peer Reviewer's Responsibility

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

#### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of pass.

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



10850 Gold Center Drive, Suite 260  
Rancho Cordova, CA 95670  
916/922-5109 FAX 916/641-5200

Princeville, HI  
888/763-7323

Together as One. Grant Bennett Associates is a Member of the Elliott Global Alliance of independent professional firms.

## Exceptions and Disclosures

Our firm has a spotless record with no disciplinary actions taken or pending against it by state regulatory bodies or professional organizations. Additionally, there has never been any pending or settled litigation, nor any civil or criminal investigations. We are also not aware of any federal or state desk reviews or field reviews of our audits in the last three years.

***Our firm has no record of substandard work.***

In addition to external quality control reviews, our firm conducts annual in-house monitoring procedures that mirror the external peer review processes, ensuring ongoing compliance and quality in our audit and attest engagements.

Our firm is deeply committed to supporting the local accounting profession and giving back to the community through active involvement in educational and professional organizations. We maintain a strong partnership with the accounting program at California State University, San Bernardino (CSUSB), where our team regularly volunteers at student networking events and actively engages with Beta Alpha Psi and the Accounting Association to support the development of future accounting professionals.

Our firm does not have any relationships with CSU or CSUSB personnel that could create a conflict of interest while performing our services. There are also no minimum technical qualifications that the firm cannot meet.

We have replaced references to the Circulars (A-133, A-21, etc.) with the Uniform Guidance, which superseded the Circulars.



February 6, 2026

Proposal to provide professional  
audit and tax services to:

## California State University, San Bernardino

Prepared by:

**Liezl Malabanan, CPA, Principal**

[liezl.malabanan@CLAconnect.com](mailto:liezl.malabanan@CLAconnect.com)

Direct 714-310-7390

**[CLAconnect.com](https://www.CLAconnect.com)**

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.CLAGlobal.com/disclaimer).

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





February 6, 2026

Jason A. Espinoza, Executive Director  
University Enterprises Corporation  
5500 University Parkway  
San Bernardino, CA 92407-2318  
[jason.espinoza@csusb.edu](mailto:jason.espinoza@csusb.edu)

*Via email submission only*

Dear Mr. Espinoza:

Thank you for inviting us to propose. Enclosed please find CLA's (CliftonLarsonAllen LLP) proposal to California State University, San Bernardino, (the University) and the related auxiliaries; University Enterprises Corporation at CSUSB (UEC), the CSUSB Philanthropic Foundation (FOUNDATION), the Santos Manuel Student Union of California State University, San Bernardino (SMSU), Associated Students of California State University, San Bernardino (ASI) and The Children's Center (The Center) of the University Enterprises Corporation (collectively referred to herein as (the University)).

From our current relationship, we understand your desire to:

- Work with a firm to meet the Chancellor's Office deadline. During the previous audit, our team worked closely with you and successfully issued the deliverables ahead of the prior year's timeline. Building on that familiarity and an enhanced planning-to-issuance process, we are well positioned to meet the upcoming deadline.
- Implement sustainable improvements with consistent team members who have built a deep understanding of your operations, systems, risks, and needs over time.
- Proactively assist your team with the upcoming GASB implementation.

At CLA, we exist to create opportunities for our clients, our people, and our communities. The advice you receive — whether through financial statement services, preparation of tax returns, or advisory services — will be shared with the overarching goals of reducing risk, enhancing value, identifying actionable industry insights, strengthening compliance, and helping you meet your mission well into the future.

**We know you!** We know and understand the University auxiliaries. By providing services to you in the past, we have established an understanding of your organization. The work we've performed provides your project with momentum before we begin the engagement. We don't have to spend a lot of time up front learning about your core operations, we know them well.

We want to serve you and we have the qualifications to deliver quality, timely work. Throughout this proposal, we take you on a journey outlining how we'll work together and the value you can expect.

Please contact me if I can provide additional information on our firm or our proposal.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in blue ink, appearing to read "L Malabanan", written in a cursive style.

Liezl Malabanan, CPA, Principal

714-310-7390 | [liezl.malabanan@CLAconnect.com](mailto:liezl.malabanan@CLAconnect.com)

# Table of Contents

<b>1. Understanding of the Engagement and Audit Approach .....</b>	<b>5</b>
Understanding of the work to be performed .....	5
Audit methodology .....	6
Audit approach.....	7
Approach to assessing risk .....	7
Single audit approach.....	11
Procedures used to understand internal processes and controls .....	14
Communication methods for interim updates, preliminary findings, and final deliverables...	15
Familiarity with CSU .....	16
Approach to communicating and implementing new GASB and FASB requirements .....	16
OMB A-133 requirements .....	16
CSU auxiliary governance expectations.....	17
<b>2. Firm Description and Qualifications .....</b>	<b>18</b>
History of CLA.....	18
Firm ownership .....	18
Firm organizational structure.....	18
Office responsible for the engagement.....	19
Number of partners, professional staff, and support personnel .....	20
Audit and tax services philosophy .....	20
Client portfolio summary .....	22
Key differentiators .....	27
CSU Chancellor’s Office submission deadlines .....	30
<b>3. Key Engagement Personnel .....</b>	<b>30</b>
<b>4. Estimated Hours and Staffing Plan .....</b>	<b>37</b>
Breakdown of estimated hours by staff level .....	37
Allocation of on-site versus remote work .....	40
Identification of shared resources.....	41
Ability to complete audits within CSU and Chancellor’s Office on schedule .....	41
<b>5. References.....</b>	<b>42</b>
<b>6. Fee Proposal .....</b>	<b>43</b>
Audit and tax preparation costs for each auxiliary.....	43



Hourly rates for out-of-scope services .....	44
Joint-pricing discounts .....	45
<b>7. Audit Schedule and Fieldwork Timing .....</b>	<b>46</b>
Detailed timeline.....	46
<b>8. Peer Review Report and Accompanying Letter .....</b>	<b>48</b>
<b>9. Exceptions and Disclosures .....</b>	<b>50</b>
Litigation .....	50
Professional ethics and regulatory issues or complaints against team members .....	50
Professional relationships involving the University.....	50



# 1. Understanding of the Engagement and Audit Approach

## Understanding of the work to be performed

CLA understands the work to be performed as follows:

### A. Audit Scope and Deliverables

1. Perform an annual audit of the following auxiliaries of California State University, San Bernardino (CSUSB):
  - University Enterprises Corporation (UEC) including single audit.
  - CSUSB Philanthropic Foundation (Foundation).
  - Santos Manuel Student Union (SMSU).
  - Associated Students, Incorporated (ASI).
  - Children’s Center of University Enterprises Corporation (The Center).
2. Prepare all required audited financial statements and supporting schedules for each auxiliary.
3. Prepare a management letter that includes findings, observations, opinions, comments, or recommendations concerning internal controls, accounting systems, compliance with laws, and other material matters.
4. Conduct inventory counts or physical observations as needed on or around June 30 of each year, if required to support audit procedures.

### B. Regulatory and Policy Compliance

1. Meet the Auxiliary Organization External Auditor Firm Qualifications described in CSU Policy No. 13175.00, available at: <https://www.calstate.edu/icsuam/sections/13000/13175.00.shtml>.
2. Prior to engagement, complete the CSU 13175.00 compliance questionnaire to verify adherence to policy requirements.
3. Conform and comply with CSU financial-statement reporting and presentation policies, including Chapter 8 of the CSU GAAP Reporting Manual, available at: [CAL STATE GAAP Manual Link](#).
4. Report on internal control and compliance in accordance with OMB Circulars A-21 and A-110, as applicable.
5. Confirm that all audits comply with OMB Circular A-133 / Uniform Guidance (2 CFR 200), as applicable.

### C. Tax Reporting Requirements

1. Prepare and file the following tax returns, as applicable to each auxiliary:
  - Federal Form 990
  - Federal Form 990-T (if applicable)
  - California Form 199
  - California Form 109
  - California Form RRF-1



## Audit methodology

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual check-up that gives you insight into your organization, allowing you to take advantage of opportunities and improve your operations.

**Our industry experience makes it easier** — CLA auditors are industry aligned, making our audit process fast and smooth. We focus on operational efficiency and leverage our industry experience to bring you meaningful insights that can positively impact your organization. A dedicated team of professionals will listen to your goals and concerns, then work with you to navigate industry pressures, changing markets, and complex standards, all with a common goal to drive your organization toward success.

**Your time has value** — Your day is filled with competing priorities and constant distractions. We elevate your experience by using a variety of communication tools, such as a web-based document portal, video conferencing, email, and phone calls, to keep everyone informed and on track. We focus on operational efficiency and leverage our industry experience to bring you meaningful insights that can positively impact your organization.

**No surprises** — We will provide the University auxiliaries with a no-surprises approach to our services, based on frequent and timely communication and clarity around roles and expectations. If issues arise during your audit, we engage the right people in a frank discussion to resolve them.

**Significant involvement of principals and directors**— Our principals and directors are directly involved in your engagement and can proactively identify significant issues and resolve them with management. Your time is best spent with key decision makers so you can ask clarifying questions, discuss organizational strategies, and navigate sensitive reporting issues.

**We tailor the audit just for you** — While our audit programs provide typical approaches for given audit areas, CLA designs a client-specific, risk-based audit approach for each client. We use custom, industry-tailored programs, procedures, and tools designed specifically to focus on applicable risks.

**You'll learn about what we're doing and what we've found in plain, everyday language** — By working closely with your staff, CLA continuously learns about your organization. This involvement enables us to offer recommendations for improvements in your systems and procedures that are more comprehensive and better understood, enhancing your ability to implement them.

When performing an audit, we are sensitive and understanding of the fact that we report to those charged with governance. We maintain objectivity and independence to be able to issue our audit opinions. We will act within our philosophy of total client service, maintain the professional relationship refined with management, and fulfill our responsibilities with the utmost professionalism.

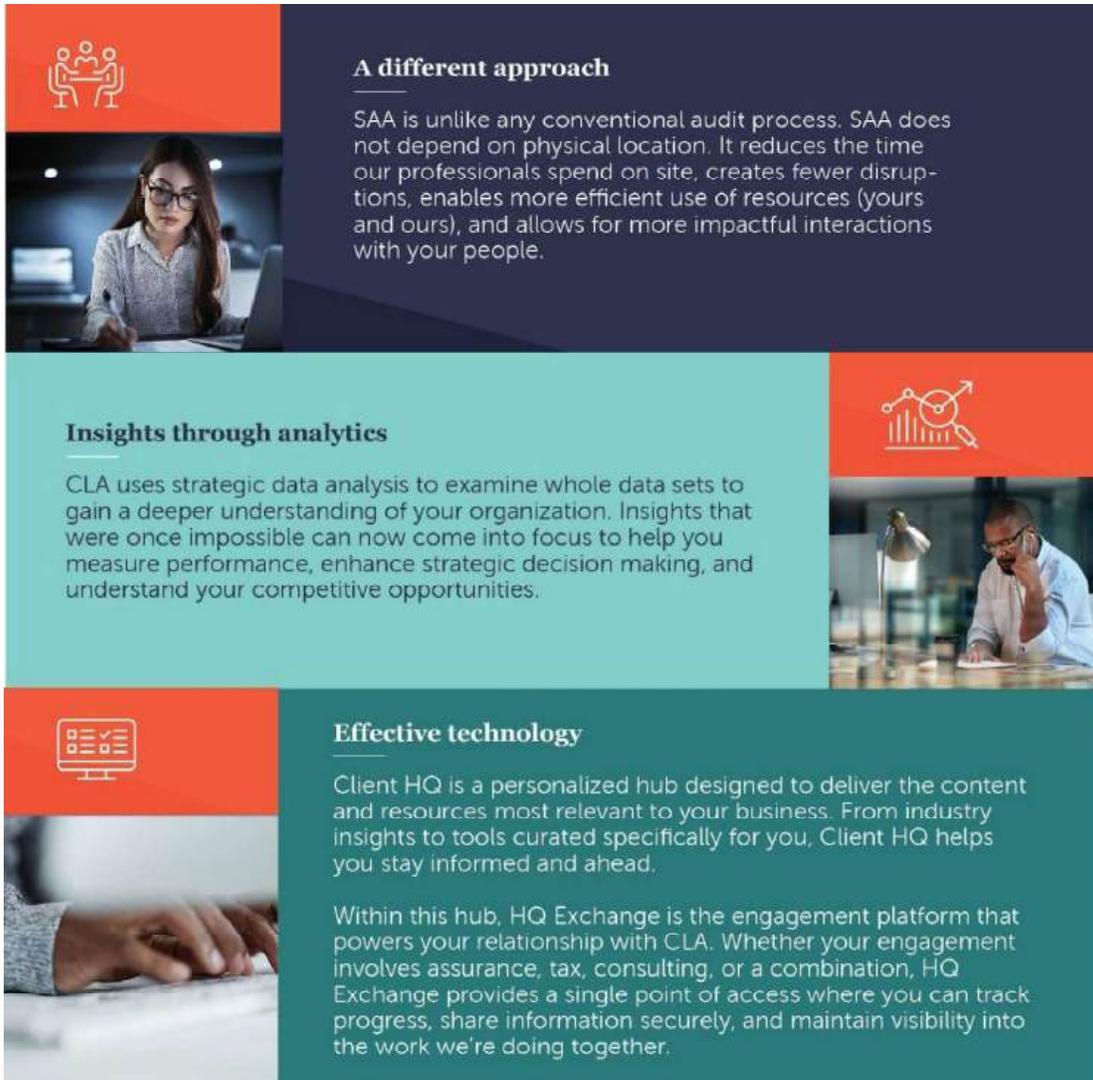
**Year-long support** — We encourage your staff to take advantage of our accessibility throughout the year for questions that may arise. Our people can provide proactive advice on new accounting or GAAP pronouncements and their potential impact; help with immediate problems, including answers to brief routine questions; and share insights and leading practices to assist in planning for your future success.



## Audit approach

### The CLA Seamless Assurance Advantage (SAA)

The CLA Seamless Assurance Advantage (SAA) is an innovative approach to auditing that utilizes leading technologies, analytics, and audit methods to help solve client problems and create a seamless experience.



**A different approach**

SAA is unlike any conventional audit process. SAA does not depend on physical location. It reduces the time our professionals spend on site, creates fewer disruptions, enables more efficient use of resources (yours and ours), and allows for more impactful interactions with your people.

**Insights through analytics**

CLA uses strategic data analysis to examine whole data sets to gain a deeper understanding of your organization. Insights that were once impossible can now come into focus to help you measure performance, enhance strategic decision making, and understand your competitive opportunities.

**Effective technology**

Client HQ is a personalized hub designed to deliver the content and resources most relevant to your business. From industry insights to tools curated specifically for you, Client HQ helps you stay informed and ahead.

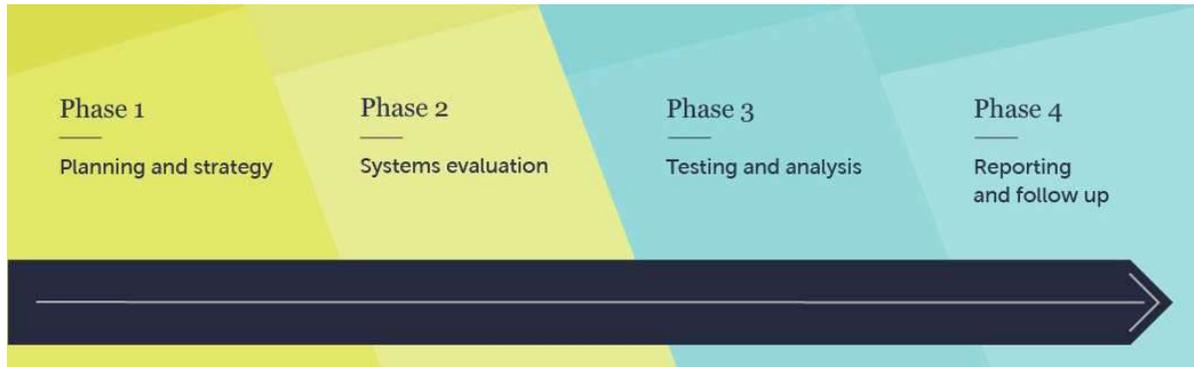
Within this hub, HQ Exchange is the engagement platform that powers your relationship with CLA. Whether your engagement involves assurance, tax, consulting, or a combination, HQ Exchange provides a single point of access where you can track progress, share information securely, and maintain visibility into the work we're doing together.

## Approach to assessing risk

Our audit services are designed to protect the interests of governance and management by concentrating on high-risk areas. Risk identification is the first step of the audit process, providing the basis for the overall plan. Our risk assessment process involves consideration of inherent, control, and audit detection risk.

Our audit objective extends beyond the issuing of an opinion on consolidated financial statements. We believe that a good audit yields substantial information for management and is a valuable tool in recognizing opportunities and identifying areas that can be strengthened.

Financial statement audit approach – planned audit approach, sampling and internal control review techniques, and coordination plan to confirm each audit is conducted independently yet efficiently under one engagement



### *Phase 1: Planning and strategy*

The main objective of the planning phase is to identify significant areas and design efficient audit procedures.

- Conduct an entrance meeting. Liezl Malabanan and staff will meet with the University auxiliaries' personnel to agree on an outline of responsibilities and time frames
  - Establish audit approach and timing schedule
  - Determine assistance to be provided by the University auxiliaries personnel
  - Discuss application of generally accepted accounting principles
  - Address initial audit concerns
  - Establish report parameters and timetables
  - Progress reporting process
  - Establish principal contacts
- Enhance our understanding of your operations, including any changes in organization, management style, and internal and external factors influencing the operating environment
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) - related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the University auxiliaries, and establish deadlines

We will document our planning through:

- **Entity profile** — This profile will help us understand the University auxiliaries' activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** — These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that

have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.

- **General risk analysis** — This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.
- **Account risk analysis** — This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by client listing** — This document will contain a listing of schedules and reports to be prepared by the University auxiliaries' personnel with due dates for each item.
- **HQ Exchange** — HQ Exchange is where your engagement lives. It creates clarity and accountability by making every step of the process visible to you, from initial planning through final delivery. By using HQ Exchange across all CLA service lines, we bring a consistent way of working — reducing the need for duplicate conversations and helping prevent things from getting lost between teams. For you, this means fewer surprises, faster answers, and confidence that your entire CLA team is aligned and working toward the same goals. Even with many professionals involved, HQ Exchange makes the experience feel seamless, collaborative, and transparent.

The audit engagement will be planned under the direction of the engagement leader. We will clearly communicate any issues in a timely manner and will be in constant contact as to what we are finding and where we expect it will lead.

Using the information we have gathered and the risks identified, we will produce an audit program specifically tailored to the University auxiliaries that will detail the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

### *Phase 2: Systems evaluation*

We will update our understanding of the internal control structure of the University auxiliaries for financial accounting and relevant operations. Next, we will identify control objectives for each type of control material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:

- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles, not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether the University auxiliaries has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements



We will finalize our audit programs during this phase. We will also provide an updated prepared by client listing based on our test results and anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application information services/information technology (IS/IT) controls for applications significant to financial statements to conclude whether IS general controls are properly designed and operating effectively.

Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then assess the significant computer-related controls.

For IS/IT-related controls we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support findings and will provide recommendations for improvement. For IS controls we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

### *Phase 3: Testing and analysis*

The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing.

After identifying individually significant or unusual items, we will decide the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use TeamMate to efficiently control and select our samples.

Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will provide the University auxiliaries with status reports and be in constant communication with the University auxiliaries to determine that all identified issues are resolved in a timely manner. We will hold a final exit conference with the University auxiliaries to summarize the results of our fieldwork and review significant findings.

### *Phase 4: Reporting and follow up*

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*
- Management Letter
- Written Communication to Those Charged with Governance, which includes the following areas:
  - Our responsibility under auditing standards generally accepted in the United States of America
  - Changes in significant accounting policies or their application
  - Unusual transactions
  - Management judgments and accounting estimates
  - Significant audit adjustments



- Other information in documents containing the audited financial statements
- Disagreements with the University auxiliaries
- The University auxiliaries' consultations with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, our opinion, the financial statements, and management letter will be issued.

The University auxiliaries will be given a draft of any comments we propose to include in the management letter. Items not considered major may be discussed verbally with management instead of in the management letter.

We will make a formal presentation of the audit results to those charged with governance, if requested.

### Elevating with artificial intelligence (AI)

CLA is committed to harnessing cutting-edge technology to enhance client service. We may use AI to enhance your audit engagements. This can include:

- **Research and document drafting:** CLA professionals may use Microsoft Copilot to ask questions and make requests of generative AI with secure access to CLA-specific resources.
- **Document summarization:** We may use CLA Family Assistant to help extract and summarize information relevant to our audits, including minutes review, leases, debt agreements, and other document types.
- **Invoice extraction:** CLA may use AI tools to extract relevant fields from invoices and other documents.

When AI is used, the work is supervised by CLA professionals who verify results before making final decisions. Client information remains confidential when working with these tools.

### Single audit approach

OMB's *Uniform Guidance* (2 CFR Part 200) affects how federal grants are managed and audited and impacts every organization that receives federal assistance. Grant compliance can be a confusing topic and many of our clients rely on their federal funding as a major revenue source, so it is important that they understand what these changes mean to their organization. As a leader in the industry, CLA professionals are available to provide guidance and tools tailored to the University auxiliaries' needs, and to assist in compliance with these rules.

The AICPA clarified auditing standard, AU-C 935 "Compliance Audits," requires risk-based concepts to be used in all compliance audits including those performed in accordance with 2 CFR Part 200. Our risk-based approach incorporates this guidance.



We will conduct our single audit in three primary phases, as shown, below:



### *Phase 1: Risk assessment and planning*

The risk assessment and planning phase will encompass the overall planning stage of the single audit engagement. During this phase, we will work closely with the University auxiliaries' management to determine that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We will also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We will accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we will identify the Type A and significant Type B programs (25% of Type A threshold) in accordance with the *Uniform Guidance*
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs
- Determine the major programs to be tested for the current fiscal year based on the previous steps
- Based on our determination of the major programs, we will obtain the current year compliance supplement to aid in the determination of direct and material compliance requirements, and customize the audit program accordingly
- Determine the preferred methods of communication during the audit

### *Phase 2: Major program testing*

We will determine the programs to be audited based on the risk assessment performed in the planning phase. We will perform the audit of the programs in accordance with *Uniform Guidance*.

To accomplish this, we will perform the following:

- Schedule an introductory meeting and notify the University auxiliaries' management of the major programs for the current fiscal year
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards
- Perform tests of compliance and internal controls over compliance for each major program identified
- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise
- Conduct entrance and exit conference meetings with each grant manager

### *Phase 3: Final assessment and reporting*

We will re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified.

Based on the final determination of the programs we will perform the following:

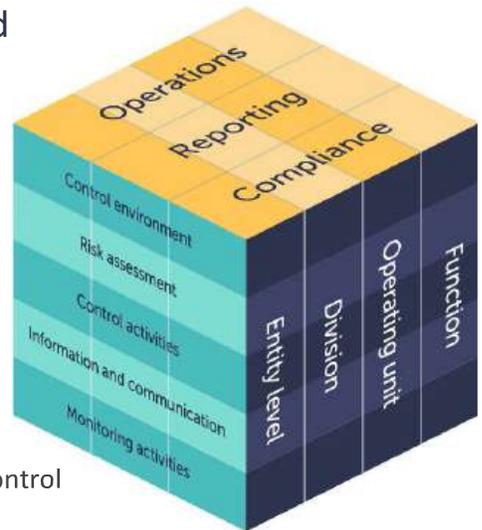
- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Perform compliance testing at the entity wide level related to procurement and cash management requirements
- Perform testing to validate the status of prior year findings for those programs not selected for audit
- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the University auxiliaries' management to review drafts of required reports:
  - Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in accordance with *Government Auditing Standards*
  - Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

Throughout the single audit, we will maintain communication through periodic progress meetings with those designated by the University auxiliaries. These meetings will be on a set schedule, but as frequently as the University auxiliaries determines. During these meetings, we will discuss progress impediments and findings as they arise.



## Procedures used to understand internal processes and controls

As your current auditors, we have developed and documented a deep understanding of University auxiliaries, operations, and system of internal control. Each year, we will work with University auxiliaries to update that understanding in the least intrusive manner possible, while still maintaining our professional responsibilities. We will utilize a combination of updating internal control forms completed in prior years and conducting annual interviews with key accounting personnel. As a baseline, we use existing internal control processes, policies, organizational charts, and other items University auxiliaries may have already documented or updated during the year. Finally, walk through procedures are performed for certain controls to evaluate whether the control effectively designed and determine it has been implemented.



The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has established a framework for internal control systems. Under the COSO framework, internal control is a process to provide reasonable assurance that those internal objectives, including effectiveness and efficiency of business operations, reliability of financial reporting, and compliance with applicable laws and regulations, will be met, if applicable.

Our audit approach is designed to evaluate and walk through certain internal controls in accordance with COSO concepts. Our procedures include a review of the entity's control environment, risk assessment process, control activities, information and communications relevant to preparation of the financial statements, and monitoring activities of the system of internal control.

During the planning and risk assessment phases of our audit, we will develop our understanding of University auxiliaries' business operations and system of internal control for financial reporting through observation, discussion, and inquiries with management and appropriate personnel. During this phase of the audit, we will review budgets and related materials, organization charts, accounting and purchase manuals, and other systems of documentation that may be available.

Once we understand your operations and system of internal control for financial reporting, we will then identify control objectives for each significant class of transactions, account balances, or disclosures. The next step will be to identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. We will then determine the nature, timing, and extent of our control procedures.

## Communication methods for interim updates, preliminary findings, and final deliverables

Effective communication is critical to a successful engagement. This includes regular status meetings where observations, potential exceptions, and leading practices are discussed. During the previous audit, we worked alongside your team and held twice weekly status meetings with active involvement from both the principal and director. In these meetings, we discussed audit progress, aligned on outstanding items, and provided insights on how issues were addressed and resolved.

To avoid surprises at the end of the engagement, we discuss and document our observations, clarify fact patterns, and confirm management's understanding and agreement with our findings.

CLA adheres to all auditing standards related to reporting observations, recommendations, and findings. All significant deficiencies and material weaknesses will be reported to the audit committee/governance in writing. Best practices, observations, and other matters will be reported to management either through management letter or verbal communication. This provides value and can be used as a tool to track the implementation of our recommendation.

**Report to those charged with governance** — In addition to observations and recommendations, we will inform the audit committee of:

- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments and passed adjustments, if any
- Disagreements with management, if any
- Management consultation with other accountants, if any
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

We are sensitive and understanding of the fact that we report to those charged with governance, and our audit professionals maintain objectivity and independence in issuing audit opinions. If we identify significant fraud, illegal acts, or significant delays during the audit process, we will alert the audit committee timely.

Information related to overall fiscal health or other concerns of your organization observed during audit testing will be presented in the exit presentation and as part of the management letter. We will also help you create opportunities for improvement through recommendations and suggestions for strengthening your policies, accounting procedures, and processes.

Please see the [Detailed timeline](#) for issuance of **final deliverables**.



## Familiarity with CSU

### Developing long-term relationships with our clients

Our CLA Promise is simple: *to know you and help you*. We welcome the opportunity to be a resource to you and add value to your organization. We are well structured to provide a client experience that can help you with the challenges you face in a variety of areas.

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing enhanced efficiency and keeping the learning curve low. With a solid, steady engagement team — each year brings the additional benefits of trust and familiarity. **With an experienced team already familiar with your operations, we can deliver even stronger results.**

### Approach to communicating and implementing new GASB and FASB requirements

We are intimately involved in the review, development, and implementation of new standards promulgated by GASB and FASB. We will work proactively with the University auxiliaries to address reporting and auditing impacts of each pronouncement or issue in advance of the implementation date.

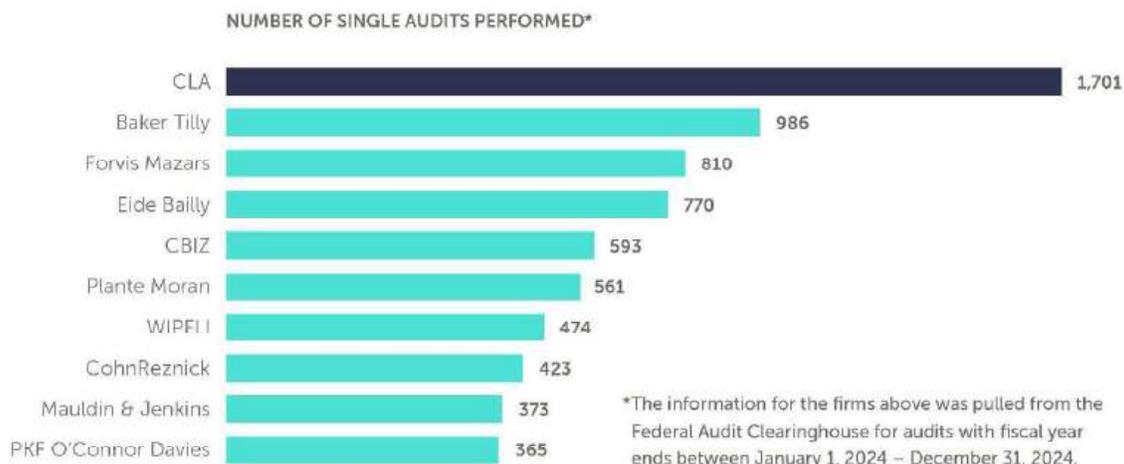
Additionally, members of our government services team participate in the **AICPA State and Local Government Expert Panel and AICPA Government Audit Quality Center (GAQC) Executive Committee**. These individuals are involved in the process of reviewing and updating the AICPA's State and Local Government Audit and Accounting Guide.

## OMB A-133 requirements

### Single audit experience

### CLA performs the largest number of single audits in the United States

**We audited \$249 billion dollars in federal funds expended in 2024.** The chart below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving the government and nonprofit industry.



It is more important than ever to find qualified auditors who have significant experience with federal grants specific to the University auxiliaries and can enhance the quality of University auxiliaries' single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB's *Uniform Guidance* and who can offer both knowledge and quality for University auxiliaries. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

*You'll need an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved and will benefit from CLA's experience in this area.*

## CSU auxiliary governance expectations

As part of the audit, we maintain established communication with those charged with governance. We will enhance this by presenting the audit plan, discussing audit inquiries, and providing timely insights on audit status as needed. Transparent communication will be maintained throughout the engagement, and final results will be presented at the audit committee meeting and/or summarized in a written communication.



## 2. Firm Description and Qualifications

### History of CLA

On January 1, 2012, two regional firms, Clifton Gunderson and LarsonAllen, merged to become CLA. They were driven by a shared vision to be a different kind of firm and a dream to be America's leading provider of professional services.



We're celebrating 14 years as CLA, but the roots of our culture reach back much further. Across decades, the philosophies that drove our legacy firms — from how they served clients and treated their people to how they did business — shared many attributes. We still find them present today in what we call the CLA Promise.

### Firm ownership

CLA (CliftonLarsonAllen LLP) is a limited liability partnership and is duly licensed to practice public accountancy in the state of California and other states.

The following are wholly-owned subsidiaries of CLA:

- CLA International, Inc.
- CliftonLarsonAllen Wealth Advisors, LLC
- CLA Trademarks Holding Company LLC
- CliftonLarsonAllen UK Limited

### Firm organizational structure

CLA is a national professional services firm built around five primary areas of focus — public accounting, wealth advisory, audit, digital solutions and consulting and outsourcing — all highly integrated and seamless in capabilities and delivery of services.



We have developed the credibility, reputation, and resources of a leading professional services firm while working hard to maintain the individualized service of a smaller firm. Our emphasis is on serving privately held businesses and their owners, as well as governmental and nonprofit organizations.

# CLA Firm-wide Structure



1/1/26

## Office responsible for the engagement

Our firm matches the necessary skill set to an engagement before considering the geographic location of the staff. Assigning team members who specialize in working with similar clients can provide the University auxiliaries higher-quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff.

The University auxiliaries will be served by an industry-specialized engagement team located in our **Ontario, California** office.



**CLA Ontario**  
 901 Via Piemonte  
 Suite 300  
 Ontario, CA 91764



# Number of partners, professional staff, and support personnel

Below is the number of professional staff and support personnel (paraprofessional) at the date of our submission.

Headcount	
Positions	Employees
Principal and Signing Director	1,298
Manager and Director	2,620
Senior	1,932
Associate	1,726
Intern	452
Paraprofessional	749
<b>Total</b>	<b>8,777</b>

## Audit and tax services philosophy

### Audit philosophy

**We exist to create opportunities — for our clients, our people, and our communities. This is the groundwork of everything we do.**

Working with and being available for our clients during the year are mutually beneficial. We believe consistent, healthy communication is the foundation to any successful relationship, and we will engage in this type of communication from the start of your engagement to project completion as well as throughout the year. Your contact will be a principal or director, not a staff person, so you will have a direct line to the firm’s leadership and industry resources.

While not required by auditing standards, CLA’s internal quality control standards mandate a concurring/independent review be performed on all assurance engagements. A member of the firm specifically designated to perform this review independent of your audit and knowledgeable about your industry performs this type of review. Because we work with so many similar clients throughout the country, we have dozens of qualified members who are able to perform this review. In addition, because we are paperless and wireless, this review can happen at anytime from anywhere.

### Audit quality control system

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and



demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.

- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.

## Tax philosophy

The firm's tax policy manual is the cornerstone of our tax quality control program and is used to oversee tax quality on a day-to-day basis. Critical policies are brought to the attention of all CLA professionals through internal memos and webcast training sessions. Existing policies are evaluated regularly and modified as appropriate.

### *Annual internal tax inspection*

CLA performs an annual internal inspection of its tax practice. The inspection focuses on reviewing the quality of tax deliverables and compliance with critical policies. Inspection teams review a broad cross-section of clients in multiple geographies, industries, and tax service lines.

### *National tax office*

The national tax office provides our operating offices with deep technical tax support, such as quality assurance reviews, monitoring and tracking tax law changes, and distributing technical updates to our clients and personnel. They regularly develop and deliver tax technical training to the firm's professionals.

## Tax services and quality control

CLA has implemented an intensive internal quality control system to show that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our system includes:

- A quality control document that dictates the quality control policies of our firm
- Requirements for our CLA tax professionals to conduct business according to the letter, spirit, and intent of applicable governing standards, laws, regulations, and professional standards
- Annual internal inspections of our local office tax work
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles — including independence, integrity, and objectivity — to perform our services with due professional care
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information



## Client portfolio summary

### Higher education experience

Your commitment to educating and supporting the CSU System is a force greater than rising costs or shrinking enrollment. We help improve processes so you can continue building a lasting legacy of educational excellence despite the challenges of each day such as:

- Meeting increasing costs, including health care, aging buildings, and technology upgrades
- Adapting to declining enrollment
- Protecting against threats to data, privacy, and system security
- Complying with financial reporting and regulatory requirements
- Maintaining exempt status for federal, state, and local tax purposes
- Monitoring and mitigating risks
- Preparing for succession of key personnel
- Successfully competing for revenue

You need trusted advisors, and you don't have time to teach them about the complexities of your situation. With years of experience serving higher education, our team can help you navigate the challenges of today, all while seamlessly strategizing for the future.

The infographic is divided into four main sections. On the left, a yellow-green box lists support from the National Technical Assurance Team (FASB, GASB, Uniform Grant Guidance). In the center, a photo of a woman in a business suit working at a laptop. To the right of the photo, a teal box lists services beyond audit: data analysts, student financial aid directors, and human resource consultants. On the far right, an orange box displays '70+' years of serving higher education institutions and '580+' institutions served, offering wealth advisory, digital, audit, tax, consulting, and outsourcing. At the bottom left, a dark blue box states that public sector clients make up approximately 25% of all firm-wide revenue and that team members are well-versed in complex higher education issues. At the bottom right, a white icon of a head with gears is shown.

SUPPORTED BY  
NATIONAL TECHNICAL  
ASSURANCE TEAM:  
FASB, GASB, UNIFORM  
GRANT GUIDANCE

BEYOND AUDIT:  
DATA ANALYSTS,  
STUDENT FINANCIAL  
AID DIRECTORS,  
HUMAN RESOURCE  
CONSULTANTS

70+  
YEARS OF SERVING  
HIGHER EDUCATION  
INSTITUTIONS

580+  
INSTITUTIONS SERVED

OFFERING WEALTH  
ADVISORY, DIGITAL,  
AUDIT, TAX, CONSULTING  
AND OUTSOURCING

PUBLIC SECTOR CLIENTS MAKE UP APPROXIMATELY 25% OF ALL  
FIRM-WIDE REVENUE, AND EACH OF THE TEAM MEMBERS ARE  
WELL VERSED IN THE ISSUES CRITICAL TO COMPLEX HIGHER  
EDUCATION INSTITUTIONS

### Deep industry connections

Our professionals understand higher education because we've been serving the industry for more than 70 years. This means you receive the benefit of our deep knowledge about the industry. Our CPAs and consultants are active members of national, state, and regional industry associations, including the National Association of College and University Business Officers (NACUBO) and the National Association of Student Financial Aid Administrators (NASFAA).

We are actively involved in a variety of higher education associations and are frequent speakers on emerging industry audit and accounting related issues.



## Education clients - California

Below is a sampling of higher education clients CLA has recently served in the state of California.

Community College / Private University Audits / Other Higher Education	
<b>Financial Audits</b>	
Alder Graduate School Cabrillo Community College District <b>California Baptist University*</b> Coast Community College District <b>CSU, Dominguez Hills Auxiliary Organizations*</b> <b>CSU, East Bay Auxiliary Organizations*</b> Foothill De Anza Community College District	Long Beach Community College District <b>Maritime Academy Auxiliary Organizations*</b> <b>National University*</b> San Diego Community College Districts <b>Sacramento State University Auxiliary Organizations*</b> South Orange County Community College District

\* Higher education client with a foundation

## Insight to strengthen your institution

When you're ready to go beyond the numbers to find value-added strategies, we offer resources to help you respond to challenges and opportunities including:

- [National webinars](#) — Access complimentary professional development opportunities for your team.
- In-person learning — Universities in [state] are invited to a no-cost collaborative training day to discuss upcoming standard changes and higher education industry practices.
- [Articles and white papers](#) — Stay current on industry information as issues arise.

***Curious:** We care, we listen, we get to know you.*

## Support at every turn

With [dedicated services specific to higher education](#), you have access to guidance on all aspects of your organization.

- [Audit and assurance](#), including OMB *Uniform Guidance* audits
- [CLA Intuition® financial modeling](#)
- [Cybersecurity](#)
- [Employee benefit plan audit, tax, and consulting](#)
- [Enterprise risk management](#)
- [Grant compliance](#)
- [Institutional investment services](#)
- [Internal audit](#)
- [NCAA agreed-upon procedures](#)
- [Outsourced accounting](#)
- [Purchase card \(p-card\) monitoring and analytics](#)
- [Risk assessments](#)



- [Strategic and financial consulting](#)
- [Student financial aid \(SFA\) consulting](#)
- [Tax planning and compliance](#)
- [Unrelated business income \(UBI\) tax planning](#)
- [Business opportunity assessments](#)
- [System optimization and selection](#)

## Nonprofit experience

With one of the largest nonprofit practices in the country, CLA has the broad experience needed to help strengthen and guide your organization, addressing what matters most to you:

- Complying with complicated financial reporting and regulatory requirements
- Maintaining exempt status for federal, state, and local tax purposes
- Changing finance and governance models
- Tighter budgets and uncertainty surrounding revenue streams
- Demand for greater financial accountability
- Identifying, managing, and mitigating risks
- Preparing for leadership transitions
- Protecting against threats to data, privacy, and system security
- Automating processes to free up capacity
- Organizing and using data to inform strategic decisions

Our committed nonprofit team can help you develop strategies rooted in sound business fundamentals, strengthen communication between staff and boards, and sharpen overall execution. We believe that helping nonprofits succeed means stronger and more vibrant communities for us all.



## Foundation experience

CLA serves more than 2,300 foundations nationwide, including higher education foundations, community foundations, supporting organizations, and corporate, private, and family foundations. These organizations have operating budgets ranging from less than \$1 million to more than \$300 million and have assets ranging from \$1 million to more than \$4 billion.

A good audit, executed with an eye for greater efficiencies and future opportunities, can help you strengthen critical infrastructure. By discovering ways to mitigate risk, streamline operations, and tighten controls, we can help free up more of your resources — and thereby more of your potential — to help the organizations you support.

Our extensive experience serving similar foundations includes:

- Funding model and program accountability consulting
- Efficiencies and effectiveness of internal controls and business processes
- Cash and investment management policies and best practices
- Proper cost allocations for program and supporting services
- Strategic and business planning for the future
- Navigating change fatigue
- Information technology security

## College and university foundation experience

CLA provides services to more than 100 university and college foundations across the country. The table below is a sampling of these clients served by CLA within the last year.

Sampling of College and University Foundations Served by CLA Nationwide		
Bethel University Foundation	Lakeland University Foundation, Inc.	University of Louisville Research Foundation, Inc.
College of Southern Idaho Foundation	Langston University Foundation	University of Memphis Foundation
College of Southern Maryland Foundation	National University Foundation	University of Montana Foundation
East Stroudsburg University Foundation	Pittsburg State University Foundation	University of Nevada Las Vegas Research Foundation
Eastern Illinois University Foundation	Salisbury University Foundation, Inc.	University of New Hampshire Foundation
Florida A&M University Foundation	Southeast Missouri University Foundation	The University of Oklahoma Foundation
Florida Polytechnic University Foundation	St. Cloud State University Foundation, Inc.	University of Southern Mississippi Foundation



## Sampling of College and University Foundations Served by CLA Nationwide

Framingham State University Foundation	The University Foundation at Sacramento State	The University of Toledo Foundation
Furman University Foundation	University of Alaska Foundation	University of Wisconsin - Eau Claire Foundation Inc.
Iowa State University Foundation	University of Central Florida Foundation, Inc	University of Wisconsin-Parkside Foundation, Inc.
Kennesaw State University Foundation	University of Iowa Research Foundation	Washington State University Foundation

### *Exempt nuances*

We don't just take information, plug it into the software, and spit out tax returns. We apply our industry knowledge to review the numerous foundation and other exempt organization nuances that often unknowingly trip up our clients. **We ask questions. We discuss. We educate.** We also internally document reporting positions in case of an audit.

### *Alternative and offshore investments*

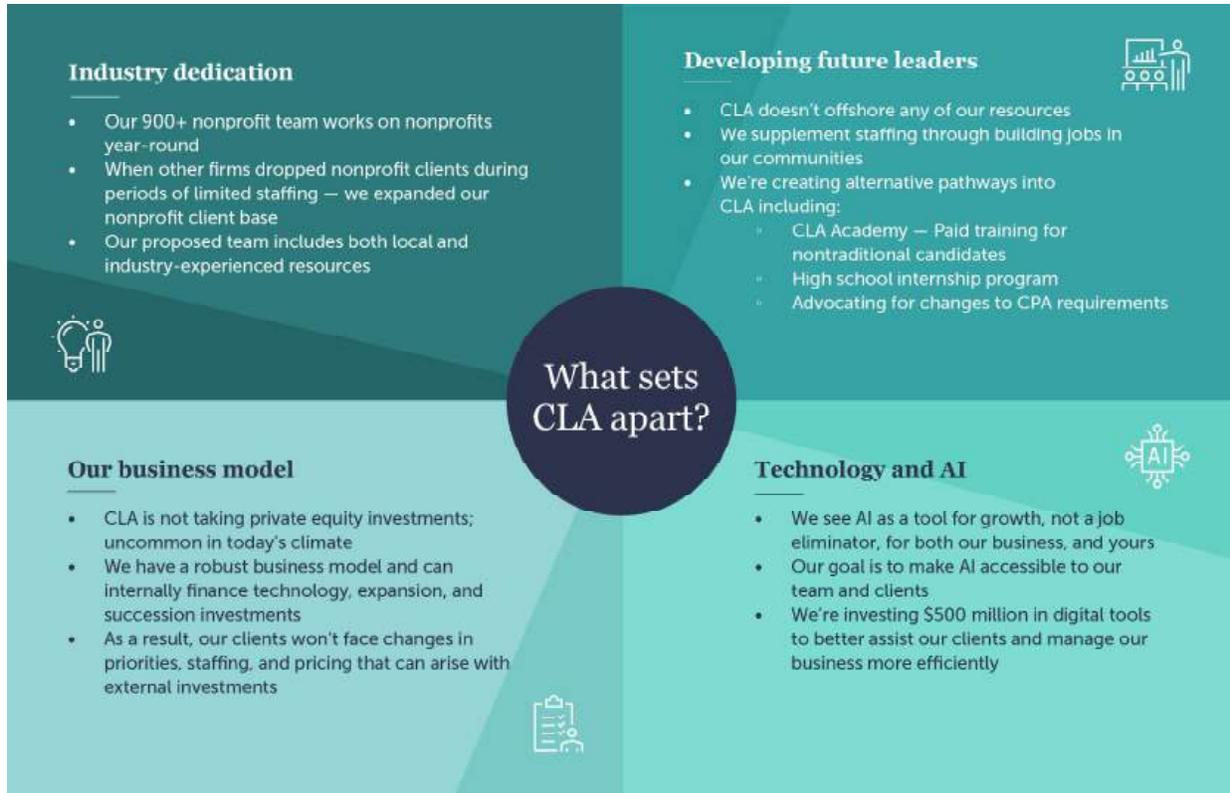
Our team has worked extensively with complex investment portfolios, including alternative and foreign investments. Because we integrate this experience directly into our sub-industry group, investments are addressed not as a silo but in the context of your foundation as a whole for anything from income tax to international reporting. We are available and prepared for conversations surrounding the tax implications and to tackle foreign reporting requirements related to any such investments. Foundations need an experienced provider to avoid missed filings that could create penalties and other risk exposures.

### *Unrelated Business Taxable Income (UBTI)*

Foundations must be aware of income tax reporting related to UBTI. Our team has worked with foundations to educate and properly report UBTI generated from investments as well as unrelated activities at both the federal and state levels.



## What sets CLA apart?



## Key differentiators

### Use of technology in the audit

We're reimagining the audit process through technology to elevate your experience!



**Client HQ** — Client HQ is CLA’s personalized digital hub, built to give clients easy access to relevant insights, resources, and connections. Within Client HQ, HQ Exchange serves as the central workspace for all your CLA engagements. It brings transparency and consistency across service lines, so no matter how many teams or professionals are supporting you, the experience is seamless and coordinated.

**Assurance Integrated System (AIS)** — AIS is CLA’s new assurance methodology platform and includes audit programs, risk assessments, and many of our template forms that can be completed and updated online by individuals that you designate.

**TeamMate Analytics and Expert Analyzer (TeamMate)** — To analyze and understand large data sets, we use TeamMate Analytics and Expert Analyzer. We customize the application by industry in order to perform the most applicable procedures. This allows us to analyze large datasets for anomalies, trends, and risks. Far beyond the audit application, our six-phase process of Risk Assessment, Data Analytics and Review (RADAR) can also provide actionable insights to help you understand your entity better.

**Microsoft® Teams** — Our services approach focuses on impactful interactions. We’ve said goodbye to the days of setting up camp in our clients’ conference rooms for weeks on end. We know our clients have organizations to run, so our interactions have purpose. To assist with communications when we are not onsite, we utilize tools such as Microsoft Teams, which allow for two-way screen sharing and video. We’ve found this helps reduce disruptions in our clients’ environments while continuing to effectively communicate with each other.

### Efficiency through automation: CLA 990 Exchange<sup>SM</sup>

We have simplified the Form 990 information return process with CLA 990 Exchange, an easy-to-use web-based dynamic platform so you are only completing sections relevant to your organization. Compile your documents and the information our tax professionals need to complete your Form 990, then upload them using the secure online tool.

Our tax professionals will pull information from the prior year’s Form 990 to prepopulate sections of CLA 990 Exchange, so you don’t have to re-enter that information each year. In real time, we can see your information submission progress. Your data is then reviewed for alignment with the instructions and transferred to our tax software for a precise and efficient process, allowing more time to focus on critical insights identified during the compliance process.

### Staffing approach

We staff our engagements based on your specific needs, offering local or national resources as necessary to generate exceptional service. Our principals and directors, and other team members are directly involved in fieldwork to help proactively identify significant issues and resolve them with management — which means the engagement is essentially complete when fieldwork ends. While it is not our policy to rotate the engagement team management, we have the resources to offer additional involvement or bring in other members of our firm as necessary. At CLA, our balanced practice model means we generate revenue consistently throughout the year — avoiding the seasonal workload compression that often leads to delays at other firms. This allows us to maintain steady staffing, meet deadlines reliably, and stay fully engaged with your team year-round.

Because our professionals are not overextended during peak seasons, we’re able to be more responsive, more selective with engagements, and more available to you when it matters most.



With our prior experience, we continue to refine staffing to effectively manage multiple entity audits due at the same time. We made significant progress in the last cycle, working closely with you and the accounting department for your competing priorities. For the upcoming audit, we have already identified areas suitable for interim work and have begun coordinating timing with your team. We also provided insights to help management improve the reliability and accuracy of financial information, and we intentionally emphasized this throughout the 2025 audit.

Our approach recognizes that the most valuable time at your location is spent with key decision makers asking clarifying questions, discussing organizational strategies, and dealing with sensitive reporting issues. We believe this approach is effective, cost-efficient, and produces a high-quality audit.

## CLA's Solutions Master Plan: Driving Innovation Through AI

CLA is making a historic investment in its Solutions Master Plan — a bold initiative designed to transform our profession and deliver distinguished value to our clients. This multi-year commitment focuses on advancing technology and artificial intelligence (AI) to create efficiencies, unlock growth, and enhance client experiences.

CLA's investment in AI is paired with a strategic approach that begins with the CLA promise to know you. We take the time to understand your organization and objectives, and from that foundation, we help design an AI roadmap that aligns with your strategy. This allows us to deliver technology and insights that support your goals and help drive meaningful results.

Our clients may experience the following benefits:

- **Enhanced efficiency and accuracy** — By leveraging AI and advanced digital tools, CLA aims to eliminate manual data entry, reducing errors and accelerating processes. This helps clients experience faster turnaround times and more accurate reporting, freeing their teams from repetitive tasks.
- **Improved client experience** — The plan emphasizes high-tech/high-touch service; technology is adopted not to reduce client interaction but to increase meaningful engagement. Clients can benefit from more time spent on strategic advice and personalized solutions rather than administrative work.
- **Access to leading-edge AI and digital solutions** — Our clients can gain access to unsurpassed technology when they need it most. This includes tools for automation, analytics, and insights that help clients make smarter decisions and stay ahead in a rapidly changing market.
- **Data-driven insights for growth** — By mining our extensive client-base data and leveraging proprietary insights, CLA can deliver transformative analytics that help uncover new opportunities and enhance operations.
- **Reduced compliance pressure** — Solutions designed to eliminate compression can help standardize and smooth compliance work, potentially reducing the stress and risk associated with tight deadlines and ultimately improving audit quality and client confidence.
- **Real-world impact** — Our digital transformation services are already delivering tangible results. CLA helped a client automate more than 2,000 invoices per month using an AI-powered accounts payable tool, saving an estimated \$100,000 annually — a clear demonstration of how these solutions create measurable value.



## CSU Chancellor’s Office submission deadlines

At CLA, we take pride in our proactive approach to engagement management. We understand the critical importance of timely communication. **CLA strives to meet the requested deadlines of the CSU Chancellor’s Office.** Our teams are structured to meet deadlines with consistency and transparency, and we maintain open communication throughout the audit process to avoid last-minute surprises. With strong support from management, we are positioned to meet the CSU Chancellor’s Office deadlines. We made significant progress last year and consistently meet deadlines for auxiliary audits at the other three CSU campuses we serve.

Our goal is to be a reliable colleague in compliance — responsive, detail oriented, and focused on supporting our clients with integrity and care.

## 3. Key Engagement Personnel

Biographies of the engagement principal, audit director, and key staff assigned to the engagement can be found on subsequent pages.





# Liezl Malabanan, CPA

## CLA (CliftonLarsonAllen LLP)

Principal  
Ontario, California

714-310-7390  
liezl.malabanan@CLAconnect.com



### Profile

Liezl Malabanan is a principal at CLA’s Ontario, California office, bringing more than 20 years of public accounting experience to the firm. She specializes in providing assurance services to higher education institutions, state and local governments, and nonprofit organizations. Liezl has extensive experience serving complex and large higher education state systems and related auxiliary organizations. Her experience extends to compliance audits under the Office of Management and Budget’s Uniform Administrative Requirements. Before joining CLA, Liezl served as a managing director at a big 4 firm, where she focused on serving public sector clients and worked on the firm’s internal inspections. Her extensive background in public accounting and her dedication to excellence make her a valuable asset to CLA and its clients.

### Technical experience

- Public university system
- Private colleges and universities
- Religious organizations
- International relief organizations
- Foundations and other charitable organizations
- Museums

### Specific CSU or higher education auxiliary experience

- California State University System
- California State University Auxiliary Organizations, i.e., San Bernardino, East Bay, Maritime Academy, CSU Risk Management Authority, CSU Institute and Stockton Center
- University of California, Irvine
- California Baptist University
- National University
- Pomona College
- Biola University
- St. John’s Seminary
- El Camino Community College
- Solano Community College



## Role and estimated percentage of time dedicated to the engagement

- Liezl is the engagement leader and will dedicate at least 10% of the total budget hours to the engagement

## Education and professional involvement

- Bachelor of science in accounting from the University of Santo Tomas, Philippines
- Certified Public Accountant from the State of California
- American Institute of Certified Public Accountants

## Speaking engagements

- Audit update with the California State University System and related auxiliary organizations

## Civic organizations

- International Society of Filipinos in Finance and Accounting, National Board Member
- ASCEND





# Lauren Braaten, CPA

## CLA (CliftonLarsonAllen LLP)



Director  
Ontario, California

916-241-8928  
lauren.braaten@CLAconnect.com

### Profile

Lauren is a director in the higher education industry. Lauren has more than 10 years of experience working with higher education and nonprofit organizations. She has directly supervised assurance teams in completing financial audits, single audits, reviews and agreed upon procedures engagements.

### Technical experience

- Higher education
- Nonprofit organizations
- Federal awards
- Indirect cost rate calculations

### Specific CSU or higher education auxiliary experience

- California State University Auxiliary Organizations, i.e., San Bernardino, East Bay, Maritime Academy, Sacramento
- California Baptist University
- National University
- St. John's Seminary
- El Camino Community College
- Solano Community College

### Role and estimated percentage of time dedicated to the engagement

- Lauren is the engagement director and will dedicate at least 20% of the total budget hours to the engagement

### Education and professional involvement

- Bachelor of science in accountancy with a minor in finance from St. Cloud State University, St. Cloud, Minnesota
- American Institute of Certified Public Accountants
- Certified Public Accountant in California





# Sarah Hintz, CPA

## CLA (CliftonLarsonAllen LLP)

Principal  
Colorado Springs, Colorado

719-284-7236  
sarah.hintz@CLAconnect.com



### Profile

Sarah is a principal with CLA and has more than 24 years of combined experience in public accounting, higher education, and private industry. She has worked with a variety of clients including colleges and universities, tax-exempt organizations, health care organizations, state and local governments, for-profit entities, nonresident alien taxpayers, and many others. Sarah currently supports CLA's national exempt tax practice in her roles as the National Exempt Tax Practice Leader as well as the Higher Education Industry Tax Leader. Sarah has served as a consultant in her time in public accounting in addition to aiding organizations internally, in a management capacity, in both accounting and compliance roles within higher education.

Sarah provides a broad range of services to tax-exempt clients including tax consulting; analysis and tax planning of unrelated business income activities; IRS Form 1023 Application for Recognition of Exemption; IRS Form 990 training for internal accounting staff; IRS and state agency notice resolution; consulting on withholding agent responsibilities for payments to nonresident aliens; foreign reporting compliance, general information reporting obligations; and maintenance of exempt and public charity status.

### Technical experience

- Analysis, planning, and reporting of unrelated business income
- IRS Form 990, 990-T and related state and foreign filings
- Representation during IRS and regulatory examinations
- Organizational structures
- Compensation and benefits
- Forms 1023/1024 Application for Recognition of Exemption and group exemption maintenance
- Nonresident Alien tax compliance and reporting
- Foreign compliance filings
- Information return reporting and consulting
- Compliance assessments
- Beyond the 990 day-to-day compliance consulting

### Education and professional involvement

- Bachelor of science in accountancy from Northern Arizona University, Flagstaff, Arizona
- Certified Public Accountant
- American Institute of Certified Public Accountants
- Colorado Society of Certified Public Accountants
- National Association of College and University Business Officers
- National Business Officers Association



## Speaking engagements

Sarah has presented on tax topics related to exempt organizations, nonresident alien taxation, and other tax topics for organizations including:

- National Association of College and University Business Officers (NACUBO)
- Western Association of College and University Business Officers (WACUBO)
- Eastern Association of College and University Business Officers (EACUBO)
- Council for Advancement and Support of Education (CASE)
- State Employees Leading Colorado (SELC)
- Oregon State University System
- North Dakota State University System,
- Accounting and Financial Women's Alliance (AFWA)
- CLA Denver Government and Nonprofit Training Academy
- CLA Higher Education Virtual Conference
- CLA National Association Conference
- National Business Officers Association (NBOA) Contributing writer
- Colorado Society of CPAs (COCPA)
- Florida Institute of CPAs (FICPA)
- Washington Society of CPAs (WSCPA)
- Colorado Government Finance Officers Association (CGFOA)

## Specific CSU or higher education auxiliary experience

- CSU East Bay Auxiliaries
- CSU Sacramento Auxiliaries
- California Baptist University
- Metro State University Foundation & Alumni Association
- University of Alaska Foundation
- University of Southern Mississippi Foundation
- Southern Oregon Community College Foundation
- Minnesota State University Foundation
- Clemson University
- University of South Carolina

## Role and estimated percentage of time dedicated to the engagement

- Sarah is the tax principal for the engagement and would oversee all tax filings and tax compliance and will dedicate at least 10% of the total budget hours to the engagement





# Suzuka Shigeta

**CLA (CliftonLarsonAllen LLP)**



Senior  
Ontario, California

626-387-5243  
suzuka.shigeta@CLAconnect.com

## Profile

Suzuka is a senior in CLA’s Ontario, California office. She has four years of public accounting experience and specializes in providing assurance services for higher education institutions.

## Technical experience

- Public university and community colleges
- Private colleges and universities
- Foundations and other charitable organizations
- Nonprofit organizations

## Education and professional involvement

- Bachelor of science in business administration with a concentration in accounting from the California Polytechnic University of Pomona

## Specific CSU or higher education auxiliary experience

- California State University Auxiliary Organizations, i.e., San Bernardino, East Bay,
- California Baptist University
- Southern California University
- El Camino Community College
- Solano Community College

## Role and estimated percentage of time dedicated to the engagement

- Suzuka will be returning as the overall senior in charge. She will dedicate at least 30% of the total engagement budget to the engagement.

[CLAconnect.com](https://www.claconnect.com)

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer).  
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



## 4. Estimated Hours and Staffing Plan

### Breakdown of estimated hours by staff level

Please see the below chart for the level of staff and approximate number of hours to be assigned:

Financial Statement Audit (Total Fee is Based on Discounted Rate at 40% - 45%)					
UEC and Children's Center	Principal	Director	Senior In Charge	Other Associates	Total
Audit	38	120	270	140	568
Single audit (1 major program)	12	30	80	80	202
<i>Total Hours</i>	<i>50</i>	<i>150</i>	<i>350</i>	<i>220</i>	<i>770</i>
Rate per Hour	\$450	\$330	\$260	\$190	
Total	\$22,500	\$49,500	\$91,000	\$41,800	<b>\$204,800</b>
				<b>Discount</b>	<b>\$(120,200)</b>
<b>Total Fee, UEC (with Children's Center and Single Audit)</b>					<b>\$84,600</b>

Financial Statement Audit (Total Fee is Based on Discounted Rate at 40% - 45%)					
SMSU	Principal	Director	Senior In Charge	Other Associates	Total
Hours	10	40	20	120	190
Rate per Hour	\$450	\$330	\$260	\$190	
Total	\$4,500	\$13,200	\$5,200	\$22,800	<b>\$45,700</b>
				<b>Discount</b>	<b>\$(26,700)</b>
<b>Total Fee, SMSU</b>					<b>\$19,000</b>



**Financial Statement Audit**  
(Total Fee is Based on Discounted Rate at 40% to 45%)

<b>Philanthropic</b>	<b>Principal</b>	<b>Director</b>	<b>Senior In Charge</b>	<b>Other Associates</b>	<b>Total</b>
Hours	16	45	22	160	243
Rate per Hour	\$450	\$330	\$260	\$190	
<b>Total</b>	<b>\$7,200</b>	<b>\$14,850</b>	<b>\$5,720</b>	<b>\$30,400</b>	<b>\$58,170</b>
				<b>Discount</b>	<b>\$(34,170)</b>
<b>Total Fee, Philanthropic</b>					<b>\$24,000</b>

**Financial Statement Audit**  
(Total Fee is Based on Discounted Rate at 40% to 45%)

<b>ASI</b>	<b>Principal</b>	<b>Director</b>	<b>Senior In Charge</b>	<b>Other Associates</b>	<b>Total</b>
Hours	10	32	30	100	172
Rate per Hour	\$450	\$330	\$260	\$190	
<b>Total</b>	<b>\$4,500</b>	<b>\$10,560</b>	<b>\$7,800</b>	<b>\$19,000</b>	<b>\$41,860</b>
				<b>Discount</b>	<b>\$(24,460)</b>
<b>Total Fee, ASI</b>					<b>\$17,400</b>



Tax					
UEC	Principal	Director	Senior	Associate	Total
Hours	4	6	16	-	26
Rate per Hour	\$450	\$330	\$260	\$190	
Total	\$1,800	\$1,980	\$4,160	\$-	\$7,940
Discount					(\$4,265)
<b>Total Tax Fee UEC</b>					<b>\$3,675</b>

Tax					
SMSU	Principal	Director	Senior	Associate	Total
Hours	2	5	14	-	21
Rate per Hour	\$450	\$330	\$260	\$190	
Total	\$900	\$1,650	\$3,640	\$-	\$6,190
Discount					(\$2,690)
<b>Total Tax Fee SMSU</b>					<b>\$3,500</b>

Tax					
Philanthropic	Principal	Director	Senior	Associate	Total
Hours	5	7	22	-	34
Rate per Hour	\$450	\$330	\$260	\$190	
Total	\$2,250	\$2,310	\$5,720	\$-	\$10,280
Discount					(\$5,870)
<b>Total Tax Fee Philanthropic</b>					<b>\$4,410</b>



Tax					
ASI	Principal	Director	Senior	Associate	Total
Hours	2	5	14	-	21
Rate per Hour	\$450	\$330	\$260	\$190	
Total	\$900	\$1,650	\$3,640	\$-	\$6,190
<b>Discount</b>					<b>(\$2,690)</b>
<b>Total Tax Fee ASI</b>					<b>\$3,500</b>

## Allocation of on-site versus remote work

### Remote work capability

While we value our face-to-face time with our clients, we have capabilities to perform this engagement remotely, if necessary.

CLA has been performing engagements remotely for the past several years. We will discuss establishing a proper planning document; enhanced communications before, during, and after the engagement; use of interactive meeting formats; and the use of various secure portals and/or VPN networks. We have learned this process needs strong communication and commitment from our clients to send us requested information electronically — as well as making key personnel available during the times assigned to the projects.

We have used resources such as Microsoft Teams and secure, encrypted tools to facilitate the transfer of sensitive information, share information, work collaboratively internally and with our clients, and conduct meetings. We will discuss the method in which documentation should be supplied to us, and will listen to what tools and protocols you prefer.

### Conducting the audit remotely, hybrid, or on site

If it works for you, we expect to have some team members on site and some off site. In most instances, we've been doing this for a few years and found it an effective way to complete our audit procedures timely and efficiently. This is something that we can do differently, if you allow to do so.

- Because of the tools we employ and the innovative methods we've adopted, we can complete a significant amount of our work remotely.
- We will travel to provide services at a client site if the client and CLA mutually agree it is essential that CLA perform the work on site.
- Communication continues to be vital when performing an audit, and while we value our relationships, in-person contact may not always be an option. To address this, we employ video conferencing and screen sharing.
- Improvements in technology have enabled new ways of auditing remotely and securely. We encourage clients to use our document portal to upload documents. This allows us to electronically organize documents and streamline work.



## Identification of shared resources

An engagement such as outlined in this proposal requires the interaction of numerous individuals working within relatively narrow time frames. Our assurance and tax staff work as a team. We are in close, regular contact, keeping each other informed of our progress and any issues that arise. We emphasize communication — making sure that issues that cross disciplines are fully evaluated by the entire team.

## Ability to complete audits within CSU and Chancellor’s Office on schedule

While our size and depth of resources allow us to conduct several audits at the same time, we also realize that the timely completion and issuance of the audit and tax returns is an integral part of the overall service experience. The quality of the work may be exceptional, yet if it takes too long, the value of that service is lost. Conversely, we have seen the audit and tax work completed in a very short period at the expense of quality.

Our goal is to begin the audit when the client is ready. We provide advance work letters, “to-do” lists, and whatever we can — up front — so that once the audit starts, it will be done efficiently and effectively. When we leave, we usually provide the audit entries for the client to post so they can run their internal departmental and other reports.

Each year at a tax planning meeting, CSU and CLA will determine a mutually agreed upon timeline starting with when we receive the nonfinancial data from CSU to when we issue the draft. Status updates either via email or regular check in meetings will be provided throughout the process to discuss any open items and questions and determine progress is being made and the drafts of the returns are timely provided.

We aim to issue the final audit reports as soon as possible after fieldwork ends according to your timetable. This requires a lot of coordination of activities with our clients, but we have found this to be a good balance in providing quality and timely services.

Our project management methodology results in a client service plan that provides for regular, formal communication with the entire management team and allows us to be responsive to your needs. The schedule allows for input from your personnel to make certain that the services are completed based on your requirements. The plan may also be amended during the year based on input from the audit committee.



# 5. References

Our clients say it best. And their independent, authentic perspective is invaluable in learning about the experience you'll have when working with us. We encourage you to connect with our clients to hear about it firsthand.

California State University, East Bay Auxiliaries	
Contact Person, Title	Nicole Yu, Controller
Phone Number   Email	510-885-7363   <a href="mailto:nicole.yu@csueastbay.edu">nicole.yu@csueastbay.edu</a>
Engagement Scope and Duration	Financial statement audit and single audit, agreed upon procedures, and tax
Year(s) Services were Performed	6/30/2018 - current

California State University, Maritime Academy Auxiliaries	
Contact Person, Title	Angie Kraetsch, Chief Financial Officer Marc F. Benadiba
Phone Number   Email	805-756-2171   <a href="mailto:akraetsch@sum.edu">akraetsch@sum.edu</a> ; 805-235-1136   <a href="mailto:mbenadib@calpoly.edu">mbenadib@calpoly.edu</a>
Engagement Scope and Duration	Financial statement audit and tax
Year(s) Services were Performed	6/30/2022 - current

California State University, Sacramento (Associated Students, Inc.)	
Contact Person, Title	Michael Eldridge, Finance Manager
Phone Number   Email	916-278-4049   <a href="mailto:eldridge@csus.edu">eldridge@csus.edu</a>
Engagement Scope and Duration	Financial statement audit, and tax
Year(s) Services were Performed	6/30/2023 - current

**Transparent:** We place honesty and integrity at the center of all communication. We welcome you to start an open and candid conversation with those who know us best.



# 6. Fee Proposal

Having upfront conversations builds relationships.

The value we can provide your organization goes beyond meeting your compliance needs. We can help you discover opportunities to enhance your performance and achieve your strategic goals. Our insights and strategies are tailored to your specific situation and represent a return on your investment.

## Audit and tax preparation costs for each auxiliary

Based on our understanding of your requirements, we propose the following fees:

Professional Services	FY 2025-26	FY 2026-27	FY 2027-28
Annual audit of the following auxiliaries of California State University, San Bernardino (CSUSB) ( <i>Discounted at 40%-45%, Section 4. Estimated Hours and Staffing Plan, <a href="#">Breakdown of hours by staff level</a></i> )			
<ul style="list-style-type: none"> <li>University Enterprises Corporation (UEC) and Children’s Center of University Enterprises Corporation (The Center)</li> </ul>	\$84,600	\$88,800	\$93,240
<ul style="list-style-type: none"> <li>Santos Manuel Student Union (SMSU)</li> </ul>	\$19,000	\$20,000	\$21,000
<ul style="list-style-type: none"> <li>CSUSB Philanthropic Foundation</li> </ul>	\$24,000	\$25,000	\$26,250
<ul style="list-style-type: none"> <li>Associated Students, Incorporated (ASI)</li> </ul>	\$17,400	\$18,300	\$19,215
Prepare and file the following tax returns/report, as applicable to:			
<ul style="list-style-type: none"> <li>University Enterprises Corporation (UEC):               <ul style="list-style-type: none"> <li>Federal Form 990</li> <li>California Form 199</li> <li>California Form RRF-1</li> </ul> </li> </ul>	\$3,675	\$3,860	\$4,053
<ul style="list-style-type: none"> <li>Santos Manuel Student Union (SMSU):               <ul style="list-style-type: none"> <li>Federal Form 990</li> <li>California Form 199</li> <li>California Form RRF-1</li> </ul> </li> </ul>	\$3,500	\$3,675	\$3,859



Professional Services	FY 2025-26	FY 2026-27	FY 2027-28
<ul style="list-style-type: none"> <li>CSUSB Philanthropic Foundation: <ul style="list-style-type: none"> <li>Federal Form 990</li> <li>Federal Form 990-T (if applicable)</li> <li>California Form 199</li> <li>California Form 109 (if applicable)</li> <li>California Form RRF-1</li> <li>Review of up to 10 K-1's or alternative investments</li> </ul> </li> </ul>	\$4,410	\$4,631	\$4,862
<ul style="list-style-type: none"> <li>Associated Students, Incorporated (ASI): <ul style="list-style-type: none"> <li>Federal Form 990</li> <li>Federal Form 990-T (if applicable)</li> <li>California Form 199</li> <li>California Form 109</li> <li>California Form RRF-1</li> <li>Annual registration renewal fee report</li> </ul> </li> </ul>	\$3,500	\$3,675	\$3,859
Joint-pricing discount*	(\$4,300)	(\$4,500)	(\$4,700)
Total after Joint-pricing discount	\$155,785	\$163,441	\$171,638
Technology and client support fee (5%)	\$7,789	\$8,172	\$8,581
<b>Total Fee</b>	<b>\$163,574</b>	<b>\$171,613</b>	<b>\$180,219</b>

\* Any joint-pricing discounts if all four auxiliaries engage CLA under one agreement.

## Hourly rates for out-of-scope services

For any additional work, it is our practice to bill for actual hours incurred at an hourly rate applicable to the professional completing the project at hand. If additional work is requested outside of the scope of requested services, we will discuss with you our proposed fee for additional services before we begin the project. Any such additional work agreed to between the University auxiliaries and CLA shall be performed at the below rates.

Level	Current Hourly Rate
Principal	\$355 - \$450
Director	\$200 - \$400
Senior	\$170 - \$260
Associate	\$150 - \$200



## Joint-pricing discounts

As shown in the [Fee Proposal](#), a joint-pricing discount will be applied if all four auxiliaries engage CLA under one agreement. We understand that clients do not want fee surprises; our fee and billing practices reflect this understanding.

## Other fee considerations

Our fee quote is designed with an understanding that:

- The University's personnel will provide documents and information requested in a timely fashion.
- The operations of your organization do not change significantly and do not include any future acquisitions or significant changes in your business operations.
- There are no significant changes to the scope, including no significant changes in auditing, accounting, or reporting requirements.

The 5% technology and client support fee supports our continuous investment in technology and innovation to enhance your experience and protect your data.

## Fee increase

Our fees are based on professional standards and regulations currently in effect and barring any changes in the nature or requirements of the engagement, our annual fees will increase in accordance with the increases in our payroll and overhead costs. In addition, costs could increase due to substantial changes in your office locations, asset size and/or operational structure. If fee increases are expected outside of the ranges provided above, we would discuss with management prior to the completion of the work.

## No surprises

Our clients don't like fee surprises. Neither do we. If changes or complexities occur — or any “out-of-scope” work is required — we'll discuss a revised fee proposal with you first.

It's not our policy or practice to bill our clients every time we receive a phone call or email. We're invested in our relationships and strongly encourage intentional and frequent communication. Contact us year-round as changes or questions arise.

**Our last word on fees: we're committed to serving you and creating a long-standing relationship. If fees are a deciding factor in your selection of a professional services firm, give us a call and let's discuss.**

***Transparent:*** Clear, authentic communication and market-based fees.



# 7. Audit Schedule and Fieldwork Timing

## Detailed timeline

We have designed a plan that **meets your needs and key deadlines**. In our planning meeting, we'll discuss this timeline with you in greater detail and adjust as appropriate.

Timeline and Staffing	Plan
<p><b>April – Principal and Manager Involvement</b> <i>(applies to all auxiliaries)</i></p>	<p>Initial Planning Meeting – with management and audit committee to set up expectations.</p> <p>Pre-interim work – Update our understanding of transactions for the year and discuss implementation of new accounting standards, as applicable. We will also update the PBC list in Client HQ, which you already have access to.</p>
<p><b>Week of April 27 - Principal and Manager Involvement</b> <i>(applies to all auxiliaries)</i>. We will have at least a senior and associates to complete these planned tasks for all auxiliaries</p>	<p>Rollforward our audit workpaper based on our updated understanding in the current year. We will perform the following procedures, as applicable to the auxiliaries:</p> <ol style="list-style-type: none"> <li>1. Review the interim PBCs and select samples for the following accounts, as applicable: Fixed asset additions, revenues and expenses and single audit.</li> <li>2. Prepare all confirmation templates for client review and signatures.</li> <li>3. Review minutes of meetings.</li> <li>4. Perform analytical review procedures.</li> <li>5. Review OPEB and pension valuation reports.</li> </ol>
<p><b>Week of May 4 - We will have at least a senior and two associates to complete these planned tasks for all auxiliaries</b></p>	<p>Perform interim substantive testing (based on samples selected above).</p> <p>Perform single audit testing.</p>
<p><b>Week of May 18</b></p>	<p>Interim exit meeting – we will communicate our progress and results of our interim testing.</p>
<p><b>Week of June 15</b></p>	<p>Revisit outstanding items, if any from interim testing and complete work accordingly.</p> <p>Rollforward financial statement template and update disclosure on new implementation, if any.</p>



Timeline and Staffing	Plan
<b>Week of July 15</b>	Check in meeting with all auxiliaries for PBC readiness.
<b>Week of August 10 - Core team members</b>	Final audit fieldwork begins – Using the updated year-end trial balance and PBCs, revisit all work performed at interim and select additional samples, if any.  For all other accounts – select samples and follow up status of confirmation response, as applicable.
<b>Weeks of August 17 and 24 – Core team members</b>	Complete audit fieldwork and communicate any findings/exceptions/deficiencies.
<b>Week of August 31</b>	Financial reporting.
<b>September 9</b>	Draft independent audit report for management’s review. At this point, audit workpaper will be sent to the quality reviewer.
<b>September 14</b>	Reviewed draft back from management to CLA team. CLA team to address all comments from quality reviewer.
<b>September 19</b>	Final independent audit report and presentation to the University.
<b>Week of September 21</b>	Wrap up single audit testing and financial reporting. Communicate any findings to management.
<b>Week of September 28</b>	Quality review on single audit.
<b>October 6</b>	Draft A-133 single audit (UEC only).
<b>October 23</b>	Final A-133 single audit (UEC only).
<b>Ongoing</b>	Planning and update meetings.

# 8. Peer Review Report and Accompanying Letter

In the most recent peer review report, dated November 2025, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report and peer review acceptance letter is provided below.

## Peer review report



**Report on the Firm's System of Quality Control**

To the Principals of CliftonLarsonAllen LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended May 31, 2025. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

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

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

**Peer Reviewer's Responsibility**  
Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

**Required Selections and Considerations**  
Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits performed under FDICIA; and examinations of service organizations (SOC 1<sup>®</sup> and SOC 2<sup>®</sup> engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**  
In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2025, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

*Cherry Bekaert LLP*

Atlanta, Georgia  
November 6, 2025

1

[cbh.com](http://cbh.com)



Peer review acceptance letter



National Peer  
Review Committee

December 11, 2025

Jennifer Leary  
CliftonLarsonAllen LLP  
227 W Trade St Fl 8  
Charlotte, NC 28202-1675

Dear Jennifer Leary:

It is my pleasure to notify you that on December 11, 2025, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2028. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Liz Gantnier", written in a cursive style.

Liz Gantnier  
Chair, National PRC

+1.919.402.4502

cc: John Klisch, Peter Alfele

Firm Number: 900010012475

Review Number: 615573

220 Leigh Farm Road, Durham, NC 27707-8110  
T: +1.919.402.4502 F: +1.919.419.4713  
aicpaglobal.com | cimaglobal.com | aicpa.org | cima.org



## 9. Exceptions and Disclosures

CLA does not have any exceptions, limitations, or exclusions to this RFP.

### Litigation

From time to time, the firm is a defendant in lawsuits involving alleged professional malpractice. In all cases, the firm believes that it has a strong position and intends to defend it vigorously. Should the ultimate outcome be unfavorable, however, net of the deductible provisions of the firm's malpractice insurance, all cases are expected to be fully covered by insurance and will not have a material impact on the firm or its ability to perform these services.

Moreover, in those cases where claims have been resolved by settlement (the vast majority of our cases), the firm is typically subject to confidentiality agreements that prohibit the disclosure of information regarding those matters. Disclosure by the firm of any details about those matters could invalidate the settlement agreements.

### Professional ethics and regulatory issues or complaints against team members

From time to time, individuals in the firm are parties to an inquiry from a regulatory or ethics body. In all cases the individual, with the firm's backing, shall cooperate in providing the information required to respond appropriately to the inquiry.

***The firm and professionals within the firm presently do not have any regulatory or ethics inquiries outside the normal course of our practice.***

### Professional relationships involving the University

CLA has performed auditing services for all auxiliaries in the recent past, the most recent engagement for each entity was 2025. CLA was required to and has maintained its independence regarding these entities in accordance with both GAAS established by the American Institute of Certified Public Accountants (AICPA) and Government Audit Standards as established by the GAO.

We have no conflicts of interest, either inherent or explicit with either the University auxiliaries or any of its component units. In situations where we perform services for a primary government and its component units, we generally assign independent engagement principals to each unit. We would not propose on an entity in which we determined there was an inherent or explicit conflict of interest or a lack of independence that existed either in fact or appearance.

**Auxiliary Services Tax and Audit Services RFP Committee  
DRAFT Evaluation Methodology and Interview Questions**

**Final Point Structure (100 points total)** Best Value / Quality Points

**Written Technical/Quality:** 40 points

**Interview (Scored):** 40 points

**Cost:** 20 points (scored by formula)

**Cost Points Formula**

Cost Points =  $(L / C) \times 20$ , where L is the lowest evaluated total cost among responsive proposals, and C is the proposer's evaluated total cost. Cost points will be rounded to one decimal place and capped at 20.0.

**Award Basis**

The Committee will recommend an award to the responsive proposer receiving the highest combined total score (Written Technical/Quality + Interview + Cost).

**A. Engagement Understanding and Audit Approach (10 points)**

1. Describe your overall approach to delivering external audit and tax services in a multi-entity CSU auxiliary environment, including how you tailor planning, risk assessment, internal control testing, and substantive procedures by auxiliary organization.
2. Identify the top audit risks you anticipate for CSU auxiliary organizations (e.g., revenue streams, payroll, cash controls, inventory, IT systems, compliance) and explain how your audit plan will address and test those risks.
3. Describe your approach to internal controls and management letter development, including how you ensure recommendations are specific, prioritized, and actionable.

**Evaluator Score for Section A: \_\_\_ / 10**

**B. Engagement Team, Continuity, and Capacity (9 points)**

4. Confirm your proposed engagement structure, including the day-to-day engagement lead, partner/manager involvement, specialist support (as applicable), and how responsibilities are allocated across planning, fieldwork, reporting, and tax deliverables.
5. Describe your continuity and backup plan to ensure staffing stability, quality, and timeliness if key personnel become unavailable or workloads shift during the engagement.

**Evaluator Score for Section B: \_\_\_ / 9**

**C. Schedule, Deadlines, and Execution Confidence (7 points)**

6. Walk through your critical path and work plan to meet draft and final issuance deadlines. Identify key dependencies from management (PBC items, timing, approvals) and explain how you mitigate risk to schedule and quality if items are delayed.

**Evaluator Score for Section C: \_\_\_ / 7**

#### **D. Tax Coordination and Compliance Support (6 points)**

7. Describe how you coordinate audit and tax services (including Form 990, CA Form 199, RRF-1, 109 reporting, and 990-T if applicable) to avoid surprises, ensure timely filings, and maintain alignment with audited financial statements.
8. Describe your process for identifying tax-related risks and compliance issues during the audit (e.g., UBIT considerations, reporting classifications, supporting schedules) and how you communicate them to management.
9. Can you describe your firm's formal process for monitoring and interpreting changes in federal, state, and local tax laws that specifically impact University Auxiliary Services? Please provide a recent example of a regulatory change you identified (e.g., updates to UBIT or tax-exempt status) and how you communicated its impact to a higher education client.

**Evaluator Score for Section D: \_\_ / 6**

#### **E. Communication, Issue Resolution, and Client Experience (5 points)**

10. Describe your communication cadence (status reporting frequency and format), escalation path, and approach to resolving issues, including disagreements related to accounting treatment, disclosures, or audit findings.

**Evaluator Score for Section E: \_\_ / 5**

#### **F. Fee Clarity and Scope Management (3 points)**

11. Confirm what is included and excluded in your fee proposal, key assumptions that drive pricing, and common change-order triggers. Describe how you manage scope to minimize unexpected costs and ensure expectations remain aligned.

**Evaluator Score for Section F: \_\_ / 3**

#### **Scenario-Based Questions (Use Same Scenarios for Every Firm)**

These scenarios inform scoring primarily in Sections A, C, D, E, and F.

#### **Accruals, Cutoff, and Year-End Close Discipline.**

12. During fieldwork, you identify that several accruals were recorded late or inconsistently across auxiliaries (e.g., accrued expenses, prepaid expenses, receivables, deferred revenue). Describe how you would assess the risk, test cutoff, and completeness, and work with management to resolve adjustments while protecting the issuance deadlines.

#### **GAAP Reporting Judgments and Audit Adjustments.**

13. You identify a situation where management's initial treatment differs from your recommended GAAP presentation or disclosure (e.g., revenue recognition timing, capitalization vs expense, classification of net assets, related party disclosures). Describe your process for evaluating the issue, communicating the basis for your position, and reaching a resolution, including how you document and present proposed audit adjustments and required disclosures.

#### **Internal Controls Over Financial Reporting and Process Improvement.**

14. You observe weaknesses in the financial reporting process that increase the likelihood of errors (e.g., lack of documented close procedures, insufficient review/approval

controls, inconsistent reconciliation practices across entities, reliance on key individuals). Describe how you would evaluate control design and operating effectiveness, determine whether the issue rises to a deficiency/significant deficiency/material weakness, and communicate practical, prioritized recommendations in the management letter.

**Interview Total Score (40 points)**

**Section A: \_\_ / 10**

**Section B: \_\_ / 9**

**Section C: \_\_ / 7**

**Section D: \_\_ / 6**

**Section E: \_\_ / 5**

**Section F: \_\_ / 3**

**Total: \_\_ / 40**

**Evaluator Notes**

**Top strengths**

- 1.
- 2.
- 3.

**Key concerns/risks**

- 1.
- 2.
- 3.

**Follow-up items requested (if any)**

- 1.
- 2.
- 3.