

Response to:
Request for Proposal for
**Audit Services & Tax
Services**

Prepared for



December 7, 2018

Submitted by:

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December 7, 2018

Mr. Thomas Leung
University Controller
California State University, Los Angeles
5151 State University Drive
Los Angeles, CA 90032

Dear Mr. Leung:

On behalf of CohnReznick, we are pleased to present this proposal to provide auxiliary audit and tax preparation services for California State University, Los Angeles Auxiliary Organizations which includes; Cal State L.A. University Auxiliary Services, Inc. (UAS), Associated Students of California State University, Los Angeles, Inc. (ASI), California State University, Los Angeles Foundation (Cal State LA, Foundation), University-Student Union, Inc. (USU), or collectively referred to as “CSULA” or “CSU Los Angeles”.

We are honored and excited to be included among the firms you are considering for this important engagement, and we believe this proposal will clearly demonstrate that our qualifications are uniquely suited to deliver the services required by CSU Los Angeles. In the pages that follow, we will describe in detail how our expertise, audit approach, and commitment to client service will benefit CSU Los Angeles.

- **Industry experience specific to your needs:** CohnReznick has extensive experience providing audit, tax, and advisory services to not-for-profit organizations, including institutions of higher education. Our clients have chosen to work with our firm largely because of referrals from existing CohnReznick clients who derive value from their relationship with the Firm and because of our direct involvement in the not-for-profit and education industry. The professionals who would serve CSU Los Angeles have been selected because of their industry experience and include the leaders of the Firm’s Not-for-Profit and Education Industry Practice.
- **Partner-level attention:** CohnReznick believes it is important for partners to be in communication with our clients year-round. The engagement partners are committed to regular client collaboration throughout the year and will leverage the Firm’s depth of industry-specific resources to ensure timely communication regarding the latest issues and trends in higher education, as well as to proactively deliver forward-thinking solutions to challenges as they are presented.
- **Focus on client education:** CohnReznick professionals are not solely compliance professionals; they are educators. Because of our intimate knowledge of their operations, we share best practices with our clients and help them streamline inefficient workflows. Additionally, as new standards are introduced, our professionals routinely advise our clients on the impact they will have to their operations and financial statements.

Mr. Thomas Leung
CSULA
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We look forward to building a long-lasting business relationship with CSU Los Angeles, and we believe this proposal will demonstrate our expertise and ability to manage your engagement and exceed your expectations. In keeping with our mission to deliver **Forward Thinking** service to our clients, we can help you **Look Ahead** to anticipate upcoming opportunities and challenges, **Gain Insight** and ideas as to how to optimize them, and **Imagine More** to help your business **Break Through** to surpass your goals and objectives. If you have any questions or would like additional information, please do not hesitate to contact us directly.

Very truly yours,



Michael Good, CPA
Partner
310-622-4346



Laura Wilder, CPA
Partner
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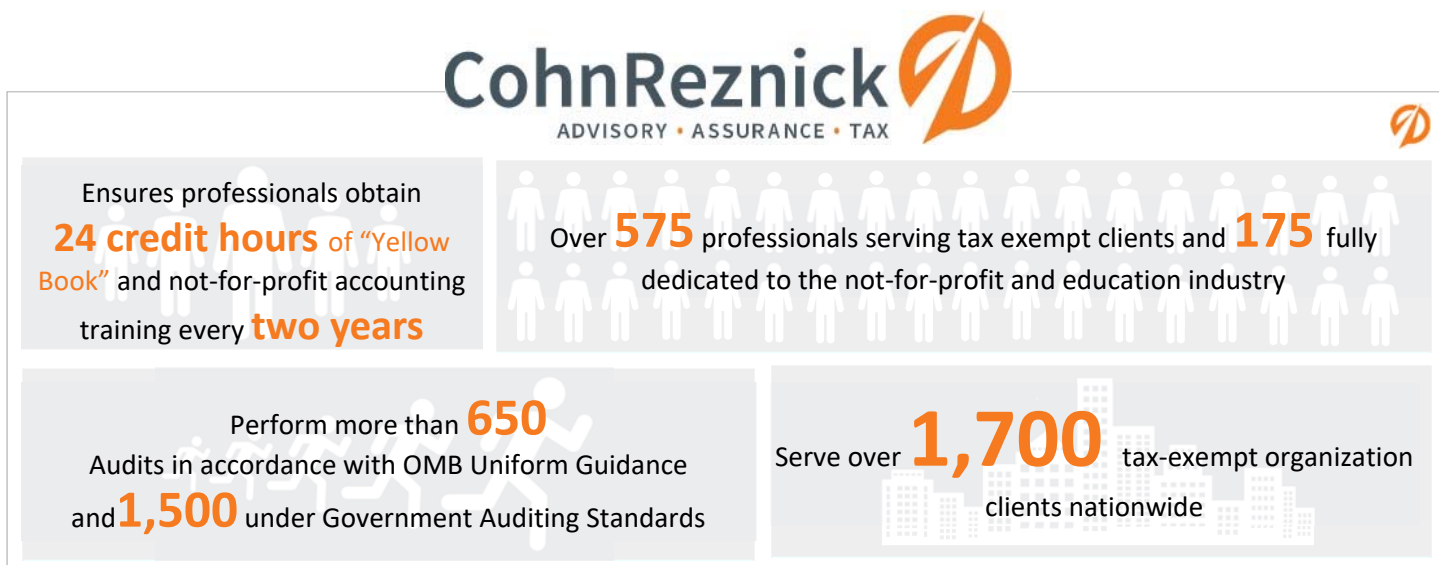


OUR RESPONSE TO YOUR REQUEST FOR PROPOSAL

Question 1: Audit Approach and Methodology

1. A statement of your understanding of the work, descriptions of the audit approach, and illustrations of procedures to be employed.

[Not-for-Profit and Education Industry Practice Overview](#)



We realize that you, like any organization, are concerned about your ability to fund ongoing operations and increase your net assets and liquidity through proper monitoring and management of financial resources. We aim to help you achieve these objectives while maintaining the highest level of professional standards. In addition to fulfilling your audit and tax needs, we can deliver value-added insight on operational and management issues, such as:

- Board fiduciary responsibilities
- Capital campaigns
- Cash flow planning and budgeting
- Cost allocations
- Cost and workflow efficiencies
- Database management
- Employee benefits
- For-profit ventures
- Fund-raising
- Internal financial controls
- Investment planning
- Long-range planning
- Real estate transactions
- Volunteer recruitment

We invest in our not-for-profit professionals to ensure we will deliver the timely, high quality, and cost-effective services clients expect. Our Not-for-Profit and Education Industry Practice:

- Provides our clients with expertise in the technical areas important to them;
- Delivers expertise and a deep understanding of government funding, including Uniform Guidance (formerly OMB Circular A-133) and California Department of Education compliance and reporting issues, as well as not-for-profit tax regulation and reporting requirements;
- Focuses on providing value through its audit process to help our clients mitigate risks and improve internal controls;
- Utilizes a customized not-for-profit audit process that provides value-added insight on such areas as internal financial controls and board fiduciary responsibilities;
- Participates in industry associations, standards-setting bodies, and professional organizations; and
- Includes partners and managers who serve, on a full-time basis, as technical researchers and reviewers.



Not-for-Profit and Education Tax Expertise

With a deep understanding of not-for-profit tax regulation, including tax reporting requirements, CohnReznick's not-for-profit and education tax professionals are well qualified to help your organization successfully address many of today's challenges, such as:

- **Tax planning opportunities** - CohnReznick's tax professionals will help your organization maximize the benefits of its tax-exempt status.
- **Tax-efficient corporate structure** - With a trained eye on all of the tax and compliance ramifications, CohnReznick provides counsel on the optimal tax structure for transactions including reorganizations and the establishment of new subsidiaries.
- **Tax compliance:**
 - **Form 990** - Specifically, we can explain to management the nuances of various questions asked, as well as provide guidance on what policies and procedures should be in place for best practice questions.
 - **Unrelated Business Income and ASC 740-10 (FIN 48)** - CohnReznick's tax professionals will work closely with your management team to prepare a thorough inventory of all current and past tax positions that are material to the organization of income and that support the exempt status.

Audit Approach

CSULA will be serviced by an experienced engagement team with in-depth knowledge of the not-for-profit and education industry, with no use of any association or affiliate member firm personnel. The size and diversity of our Assurance Services Practice has given us the opportunity to research, design, and test our audit approach on a variety of organizations, which allows us to deliver a proven, but customized, approach tailored to each client.

Having successfully served clients like CSULA, we will leverage our industry expertise, proven audit approach, and automated tools to provide an objective audit with a minimal amount of disruption to CSULA's staff. The knowledge we have gained through decades of experience serving organizations like CSULA has allowed us to tailor CohnReznick's audit approach to yield maximum effectiveness and efficiency.

CohnReznick utilizes a top-down, risk-based approach for many organizations, including those subject to OMB Uniform Guidance government audit regulations. This top-down, risk-based approach sets a scope based on entity-level controls such as control environment, financial reporting risk assessment, information and communication controls, and financial reporting competencies. In conjunction with the financial statement audit, we also document and, if deemed appropriate, test controls of applicable areas.

The purpose of an audit is to express an opinion on an organization's financial statements. Our goal is to build long-term relationships with clients by developing a tailored audit approach. To best serve CSULA, areas of our primary focus during the engagement will include:

- Internal controls
- Governance policies
- Revenue recognition
- Significant estimates

We understand that timely and frequent communication is a very important expectation for your organization, and, as such, we have made this a key aspect of our audit philosophy, which is detailed below.



OMB Uniform Guidance Audit Experience

CohnReznick has extensive experience conducting audits in accordance with the standards for financial audits contained in Government Auditing Standards (the “Yellow Book”) issued by the Comptroller General of the United States, the requirements of the Single Audit Act Amendments of 1996 (the “Single Audit Act”), and the provisions of U.S. Office of Management and Budget Uniform Guidance.

We have particular expertise auditing governmental and not-for-profit organizations receiving federal funds. Currently, CohnReznick performs more than 1,500 audits annually in accordance with Government Auditing Standards. As such, CohnReznick routinely participates in Quality Assurance Reviews from government oversight agencies, as well as internal and external SEC practice peer reviews. Every CohnReznick audit professional receives specialized audit training to meet the Continuing Professional Education (CPE) requirements of Government Auditing Standards (GAS).

Annually we perform financial, compliance, and performance audits in accordance with generally accepted auditing standards and guidelines set forth by American Institute of Certified Public Accountants (AICPA), Government Accountability Office (GAO), Governmental Accounting Standards Board (GASB), and Federal Accounting Standards Advisory Board (FASB). CohnReznick prides itself on success and efficiency in audits of entities receiving government grants, awards, contracts, and other assistance.

Audit Philosophy

Aspects of our engagement management that will ensure the highest quality audit, value-added services and seamless coordination with management include the following:

- Our partners are current with technical updates and sharing of information regarding technical information.
- We ensure continuity within the engagement team, which leads to efficiencies and builds relationships year over year.
- We are very flexible and responsive to changes in circumstances throughout the engagement: We monitor the progress of our engagements regularly and make adjustments and changes to the audit plan, as needed, based on results during the audit.
- We organize and coordinate information and tasks internally and with our clients, which makes for an efficient audit and minimal disruption to our clients.
- We maintain open and frequent communication throughout the year.
- We provide highly experienced professionals who are involved throughout the engagement and focused on bringing best practice ideas to our clients.
- We address issues timely during the audit process in order to eliminate “surprises” at year-end.
- We make the audit process as streamlined, automated, and technologically feasible as possible, which will include requesting all information to be provided by you in electronic format and using a paperless file.



Audit Phases

Our audit approach features a significant emphasis on the critical steps executed during planning and interim fieldwork. Performing as many aspects of our engagement during these early stages as possible eliminates delays and surprises at year-end.

Planning and Interim Fieldwork	Preliminary Communication <ul style="list-style-type: none"> Facilitate client planning meeting to gain an in-depth understanding of the organization Conduct pre-communication with those charged with governance Develop a list of client assistance schedules, timelines for all parties, and deliverable expectations Review minutes of Audit Committee/Board of Trustee meetings 	CohnReznick is Committed to: <ul style="list-style-type: none"> Working closely with management during each phase of the engagement to identify, discuss, and resolve financial and reporting issues Coordinating with our clients to understand internal deadlines and complete all aspects of an engagement based on an agreed-upon schedule in order to meet all reporting deadlines Providing a complete list of the necessary documents and schedules needed early in the process Continuity within the engagement team which leads to efficiencies and builds relationships year over year Flexibility and responsiveness to changes in circumstances and client needs throughout the engagement Active partner involvement and servicing our clients with highly experienced professionals A streamlined, automated, audit process, which will include electronic information requests, and a paperless client record
	Understanding and Evaluating Controls <ul style="list-style-type: none"> Review accounting policies and procedures Understand internal control documentation and perform walkthroughs Identify organization risks, control, inherent risks, and preliminary materiality Identify transactions and processes to further test 	
	Application of Analytical Procedures <ul style="list-style-type: none"> Develop analytical expectations Review of preliminary financial data Study plausible relationships of financial data to nonfinancial data Inquiry with management 	
	Development of Audit Programs <ul style="list-style-type: none"> Develop specific procedures by area based on an assessment of controls and auditing procedures Develop sampling plans for testing Select and mail confirmations 	
	Year-end Fieldwork <ul style="list-style-type: none"> Review and understand internally generated reports, supporting schedules, and reconciliations, etc. Gather evidential matter Perform substantive testing based on developed audit programs Make additional inquiries based on the results of substantive testing Perform final analytic and determine final materiality Completion and summation 	
	Report Preparation <ul style="list-style-type: none"> Review draft financial statement report and required communication letters with those charged with governance Communicate and/or meet with Audit Committee/Board of Trustees Update procedures Obtain management letter and issue a final report 	



Proactive Audit Approach

The planning stage is critical to ensure a smooth and efficient audit. During this stage, your engagement team will determine the nature, timing, and extent of the procedures for your audit. The engagement partner will be active in the planning process. By identifying most potential problems before the audit, we are able to preemptively resolve issues that might otherwise impede the engagement. At CohnReznick, we emphasize planning in order to ensure an audit engagement with a minimal level of disruption to the staff of CSULA.

CSULA will benefit from the depth of knowledge and experience of our professionals. The following are among the benefits you will find from our services:

- A well-planned, well-controlled audit that employs communication and cooperation with your staff to produce a high-quality, efficient product
- A proactive approach that emphasizes planning in order to identify potential problems before the audit and to resolve issues that might otherwise impede the engagement and that ensures an audit engagement with a minimal level of disruption to CSULA
- Insightful management comments that focus on significant issues with recommendations that provide benefits to CSULA if requested
- Periodic meetings to proactively inform and engage your management team
- An innovative style in which our partners, managers, and staff will be involved year-round, actively seeking and communicating ways to help enhance the management of operations and resolve issues as they arise
- A fresh look at your organization, which includes an evaluation of the accounting system and internal controls as an integral part of the overall engagement
- A thorough understanding of the applicable U.S. generally accepted accounting principles (GAAP) and a practical approach to industry implementation
- A smooth transition from CSULA's predecessor audit firm
- A fair and reasonable fee arrangement

We will employ an integrated audit and tax workflow approach. This will be accomplished through close coordination among the audit and tax professionals. Our auditors will coordinate closely with our tax professionals during all phases of the engagement, thereby increasing the efficiency of the overall engagement.

This approach will allow us to deliver timely audit reports, minimize delays, and communicate recommendations and improvements that will enhance the client's financial reporting and processes. We believe that, in addition to the highest quality final product, nothing is more important than its timely delivery. The understanding of our clients' needs has resulted in our appreciation of the requirement to deliver. We understand the internal and external forces which can often alter established deadlines, and we take pride in our ability to foresee and mitigate arising challenges that would impede our ability to meet these deadlines.



Workplace Technology for Audit

CohnReznick invests in automation tools and technology to enable our professionals to be as efficient and effective as possible. Our focus on cutting-edge workplace technology is a differentiator that delivers cost savings to our clients, streamlines work processes, enhances our ability to be responsive to client needs, and provides the ability to back up all work papers, tax returns, and permanent files. CohnReznick utilizes multiple reputable, robust systems:

- **SharePoint** is CohnReznick's preferred method of sharing electronic information with our clients. We leverage SharePoint via our client portal to securely and efficiently communicate with our clients. Our portal allows our clients to upload and download documents, share open items, and review project information.
- **CaseWare** is the engagement document management software that essentially serves as an electronic binder to keep our documents for each active project well organized. Using CaseWare, our engagement teams can easily collaborate with team members and rapidly access documents for clients.
- **WorkFlow** enables our professionals to track entire tax and audit processes, from the creation of an electronic tax folder to the routing of client source documents, to the final delivery of the tax return and audit reports to the client. It gives us convenient access to reports and the ability to easily monitor and manage project workflow.
- **IDEA** data extraction software allows our professionals to gather and analyze financial information from your systems, aiding in the efficiency of our audit.
- **GoFileRoom** is a Web-hosted document management service that maintains all paper and electronic files in a secure data center, allowing for convenient, 24/7 access from any location. CohnReznick professionals can access all client documents quickly and easily, which results in increased efficiency and quick response times for client requests. Other significant advantages of *GoFileRoom* include advanced document security and business continuity.



Ongoing Client Communication

We are dedicated to avoiding last minute “surprises” through a mindful, experience-driven engagement management approach; hence, we believe in frequent, open communication with our clients. Your engagement partner, Mike Good, and other key team members will conduct meetings with management throughout the entire audit engagement process to review the status of the engagement, as well as throughout the year, to bring management up-to-date on new audit and accounting pronouncements, IRS rules and regulations, and other industry related trends and best practices that we see in the market. We encourage inquiries from CSULA throughout the engagement.

This same spirit of frequent and open communication with CSULA's accounting personnel will be extended to all communications with the key members of your management team. We welcome the chance to meet and discuss all aspects of our work at CSULA and find that this open dialogue enhances the long-term working relationship we are looking forward to developing with your organization. To this end, you will receive industry-related newsletters, news alerts, and invitations to educational seminars periodically throughout the year.



In addition to understanding the accounting system and records of CSULA, we focus on the objectives set forth by management and the techniques used by management to evaluate operations in designing our audit approach.

CohnReznick is committed to:

- Working closely with the management of CSULA during each phase of the engagement to identify, discuss, and resolve potential financial and reporting issues
- Identifying accounting and reporting issues throughout the engagement to provide the greatest opportunity for thorough and complete research and for the determination of sound solutions
- Coordinating and cooperating fully with the staff of CSULA to complete all aspects of the engagement in an effective manner, which meets the timetable outlined in this proposal
- Providing a complete list of the necessary documents and schedules needed for the engagement prior to our year-end fieldwork. We will be flexible with CSULA's management and accounting staff to coordinate a mutually agreeable timeframe for requesting and receiving information to complete the engagement

Tax Policy and Approach

In addition to our ability to provide audit services to CSULA, the selected engagement team includes not-for-profit tax specialists who have extensive experience in preparing Forms 990, 990-PF, 990-T, and 990-EZ as well as California Forms 199 and 109 and RRF-1. They also provide organizations with strategic tax planning and advice to help minimize unrelated business income tax liabilities, and governance and operating issues which affect public reporting entities.

The compilation and filing of tax returns are critical parts of our engagement process. Noncompliance with the tax laws and regulations can have a significant impact on your financial statements. During the audit, we also collect additional information that is necessary for filing, such as contributions, salary details, lobbying expenses, and many other items that are needed in order to prepare the tax returns.

Understanding that your tax filings are public documents, we spend time with management reviewing the returns to ensure that you take every opportunity to have your message and your mission clearly stated to the contributors reviewing this document.

We have the capability to file your tax return electronically with federal authorities and the state taxing authorities that allow electronic filing. We will provide you with an electronic copy of your return or hard copy at your request.

Advisory Services

In addition, within the Not-for-Profit and Education Industry Practice resides a dedicated group that provides audit, attest and advisory services solely to institutions of higher education. This group stays abreast of current industry issues and trends so that we can understand our clients' issues and offer practical solutions and suggestions. We draw upon our real-world experience to anticipate your concerns, share insights, and provide a wide variety of traditional services along with new ideas for improving efficiencies, increasing revenue, and reducing costs.



Client Resources

At CohnReznick, we believe that a more informed client is a more successful client. As such, we offer a variety of educational programs and information briefs to our clients. Our interactive seminars, most of which qualify for continuing professional education (CPE) credits, are valuable networking vehicles. We also issue alerts and updates to our clients to assist them with staying abreast of current business issues and industry-related trends. These resources include:



Financial Managers Curriculum

Seminars on topics of interest to executives and financial managers, such as financial systems, employee motivation, SOX requirements, real estate strategies, and more, offered through our Financial Managers Learning Forum website



Industry-related Events

Hosted conferences and events around the industries we serve as thought leaders including:

- Federal Form 990 Compliance
- Keeping Your Organization Out of the Headlines: A Not-for-Profit's Guide to Financial Snags and Safeguards
- 403(b) Audits
- Not-for-Profit Panel Discussions
- Uniform Grant Guidance for Not-for-Profits
- New Accounting and Tax Developments, Regulations, and Trends
- Impact of the Affordable Care Act on the Not-for-Profit Industry
- Funding Trends and Organizational Adaptation
- Improving Budgeting Processes and Developing New Planning Scenarios
- Best Practices Organizations are Taking to Protect Themselves Against Fraud



Accounting Research Manager[®] (ARM) Database Access

Access to the ARM database (at a discounted rate through CohnReznick's relationship with CCH), which provides standards, regulations, and statements from the SEC, FASB, GASB, AICPA, and other accounting-related information



"Newsflash" Email Updates



Email updates with relevant changes in accounting and tax laws

- White House Tax Reform Plan
- Tax Aspects of the American Health Care Act of 2017



Industry Newsletters

Industry-related newsletters distributed periodically containing industry-specific news and thought leadership

- Not-for-Profit Governance and Financial Management Survey 
- Tax Update for Not-for-Profits
- What to Do Before Disaster Strikes: Business Continuity Planning for Not-for-Profits 



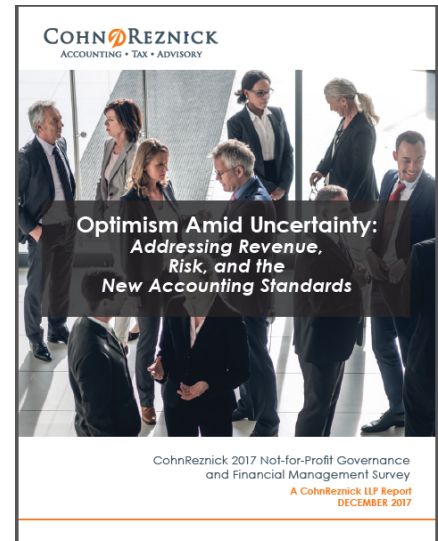
[Access to Publications or Educational Seminars](#)

Clients receive regular updates and analysis from CohnReznick's Not-for-Profit and Education Industry Practice through quarterly not-for-profit bulletins and email alerts on recent accounting developments. We aim to keep our clients highly informed and at the forefront of issues and trends affecting the not-for-profit community in the pursuit of timely and effective strategies that will result in mutual success.

[Industry Insight: Not-for-Profit and Education Governance Survey](#)

Like our three previous not-for-profit industry surveys, the 2017 CohnReznick Not-for-Profit Governance and Financial Management Survey were distributed to not-for-profit industry professionals and board members across the United States. Conducted over the spring of 2017, 70% of survey respondents identified themselves as either the Chief Executive Officer or Chief Financial Officer of their organization.

To better understand the dynamics of the not-for-profit industry, we asked several new questions this year in addition to the questions we ask annually to monitor changes and identify trends. This year's survey had two questions specific to cybersecurity (a growing concern based on recent cyber attacks and results gathered from previous surveys). We also asked three questions about diversity and inclusion—querying respondents about diversity within their organizations and as it pertains to their Boards of Directors. We also identified three possible diversity and inclusion initiatives and asked respondents if their organization had embarked on any or all of them. We were pleased to learn that most organizations have taken some action in addressing diversity and inclusion.



For the full report, please use our website link below to the PDF file:

<https://www.cohnreznick.com/insights-and-events/insights/2017-not-for-profit-governance-financial-management-survey>

[Firm's Local Events and Workshops](#)

Throughout the year, CohnReznick gathers not-for-profit professionals in an informal roundtable setting to talk about the current issues facing the industry. The Not-for-Profit and Education Industry Practice regularly hosts lectures by notable speakers in the field on a myriad of topics. The Firm has previously organized and convened seminars on specific topics or featured particular speakers at the request of our clients.



Question 2: Our Engagement Team

2. Biographies, including experience of the principals or partners who will be assigned to the engagement.

In selecting an engagement team, we take great care in ensuring that professionals with deep technical knowledge in the areas most important to your organization are assigned to serve you. Each team is led by an engagement partner with extensive expertise in serving similar organizations who can leverage prior experience to develop and coordinate an effective, efficient plan for serving your organization. The engagement partner will not only serve as a primary point of contact for your organization, as a hands-on business advisor, and as a team leader, but will also make available to you the full depth and breadth of our Firm's resources to best suit your needs now and in the future.

For this engagement, we have selected a group of individuals whose collective experience performing Uniform Guidance, GASB, and FASB audit engagements in the not-for-profit, education and the public sectors will be extremely valuable in satisfying your requirements.

The audit team further meets the Continuing Professional Education as required by GAS 3.46 to perform audits in accordance with Government Auditing Standards and has a deep understanding of government funding, including Uniform Guidance and California Department of Education compliance and reporting issues.

Core Engagement Team

Member	Role	Responsibility
Michael Good	Engagement Partner	Mike will serve as the engagement partner for CSULA and will assume overall responsibility for ensuring the completion of all services. He will coordinate the efforts of all CohnReznick professionals participating in this assignment and ensure that our services are delivered in an integrated, cost-effective, and timely manner.
Laura Wilder	Tax Partner	Laura will be responsible for overseeing the completion of all tax and related services. She will work together with the engagement partner to provide a unified service approach, resulting in efficient assurance and tax compliance, as well as valuable tax insights. She will be available to answer your questions and respond to any matters that arise.
Georgina Harris	Audit Director	Georgina will be responsible for coordinating the efforts of our staff throughout fieldwork and managing on-site audit procedures. She will be available to answer any of your technical questions.
Lisa Cummings	Senior Tax Manager	Lisa will be responsible for coordinating information requests, reviewing the tax returns, and responding to your questions.



Team Resumes



Michael J. Good, CPA
Engagement Partner

310-622-4346
michael.good@cohnreznick.com

Michael J. Good, CPA, is a partner at CohnReznick. He has more than 20 years of experience providing a variety of accounting and audit-related services to his clients, including assessment of internal controls. He has an exceptional command of financial and tax issues specific to the not-for-profit industries.

Mike currently serves a variety of not-for-profit entities, educational institutions, foundations, affordable housing organizations, social service organizations, and professional associations that range from medium-sized to large organizations, including those subject to Uniform Guidance (formerly OMB Circular A-133) and HUD audit requirements. Mike leads the efforts of our Firm's Not-for-Profit and Education Industry Practice in Los Angeles. He is a member of the Firm's Leadership Committee for the Not-for-Profit and Education Industry and the Firm's Affordable Housing Industry Practice.

He is actively involved in professional staff recruitment and provides training in business and accounting issues.

Education

- Loyola Marymount University: Bachelor of Science, Accounting (magna cum laude)

Community Involvement

- Loyola Marymount Accounting Advisory Board, Chair
- St. Joseph's Health Support Alliance Board

Professional Affiliations

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



Laura Wilder, CPA
Tax Partner

916-930-5732
laura.wilder@cohnreznick.com

Laura Wilder, CPA, is a Partner in the Firm's Sacramento office and a member of the Firm's Tax Practice. With more than 15 years of experience, Laura has provided tax compliance services to clients in the retail, real estate, and not-for-profit industries. She concentrates on real estate clients, focusing on low-income housing, including both for-profit and not-for-profit entities. Laura is also a member of the Firm's Not-for-Profit and Education Industry Practice. Laura provides her low-income housing clients with a variety of services which includes tax return preparation, AUP reports, tax credit consulting such as end of compliance period analysis, exit strategy analysis, and ensuring compliance with tax regulations. Laura's responsibilities at CohnReznick include planning and performing tax engagement compliance in the areas of multifamily residential real estate, construction, and not-for-profit organizations.

Laura has served such clients as California State University, Northridge; Boys and Girls Clubs of Sonoma Valley; San Diego Zoo; Affordable Living for the Aging; Campaign for Affordable Housing; Saint Francis Home for Children, Inc.; and Park Bixby Tower, Inc.

Prior to joining the Firm, Laura spent four years with a Big Four accounting firm.

Education

- Washington State University
 - Bachelor of Arts, Business Administration
 - Master of Accountancy

Professional Affiliations

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



Team Resumes



Georgina Harris, CPA
Audit Director

310-622-4362
georgina.harris@cohnreznick.com

Georgina Harris, CPA, is a director in CohnReznick’s audit practice and a member of the Firm’s Not-for-Profit and Education Industry Practice. Georgina has more than 10 years of diversified public accounting experience serving companies in a variety of industries.

Georgina currently serves as our office Social Impact Committee leaders, where she promotes volunteerism, community service and charitable giving in our local community. In addition, she is the Co-Chairperson of CohnReznick CARES, the purpose of which is to encompass a unifying brand that brings together the Firm’s deep commitment to community involvement on a National basis.

Prior to joining CohnReznick, Georgina worked for a mid-sized public accounting firm in the UK.

Education

- The University of Liverpool: Bachelor of Science, Mathematics with a Minor in Management

Professional Affiliations

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



Lisa Cummings, CPA
Senior Tax Manager

916-930-5250
lisa.cummings@cohnreznick.com

Lisa Cummings, CPA, is a senior manager in CohnReznick’s tax practice serving the Not-for-Profit and Education and Affordable Housing Industry Practices. Lisa has 25 years of experience working with all types of exempt organizations including 501(c) (3), 501(c) (4), 501(c) (6), and 501(c) (7).

Lisa has a passion for her not-for-profit clients and the industry at large, providing them with hands-on tax compliance services including Form 990 filings and advisory services relative to Unrelated Business Income Tax (UBIT) and governance issues. Lisa is endeared by her clients and frequently requested to present the Form 990 to organizations’ key management and board members to highlight key issues and areas of exposure.

Lisa’s deep knowledge in this area has resulted in her being selected to serve as CohnReznick’s West Region specialty reviewer for all not-for-profit tax returns. Her depth of knowledge is sought as a resource and go-to expert for the region.

Prior to joining the Firm, Lisa spent 16 years in the exempt organization tax practice of a Big Four accounting firm.

Education

- California State University, Sacramento: Bachelor of Arts, Psychology
- Golden Gate University: Master of Taxation

Professional Affiliations

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



Question 3: Estimated Hours by Level

3. Estimated hours to complete the engagement by level of staff, for each auxiliary.

Based on our preliminary assessment of the areas of audit emphasis and our current knowledge of the organization, we expect our estimated hours for each level of professional staff to be as follows:

Itemization of Hours	PROFESSIONAL LEVEL			Total
	Partner	Director/ Manager	Senior/ Staff	
Audit services Cal State L.A. University Auxiliary Services, Inc. (UAS), including the Anna Bing Arnold Children's Center	44	88	308	440
Audit services for California State University, Los Angeles Foundation (Cal State LA, Foundation)	22	44	154	220
Audit services University-Student Union, Inc. (USU)	19	38	133	190
Audit services Associated Students of California State University, Los Angeles, Inc. (ASI)	19	38	133	190
Total Audit Hours	104	208	728	1040
Tax services Cal State L.A. University Auxiliary Services, Inc. (UAS)	3	6	19	28
Tax services for California State University, Los Angeles Foundation (Cal State LA, Foundation)	2	5	15	22
Tax services University-Student Union, Inc. (USU)	2	5	15	22
Tax services Associated Students of California State University, Los Angeles, Inc. (ASI)	2	5	15	22
Total Tax Hours	9	21	64	94
TOTAL HOURS	113	229	792	1134



Question 4: References

4. A reference list of clients for whom similar services have recently been rendered.

The success of our clients is important to us. Our clients recognize that we contribute to their achievements by providing quality service extending well beyond day-to-day accounting. Below, you will find a list of not-for-profit and education clients that are currently audited by CohnReznick and meet your minimum experience and proficiency requirement.

Educational Institutions

- Animal Behavior College, Inc.
- Avon Old Farms School
- Berkeley College
- Caedmon School
- Caldwell College
- California State University, Northridge
- Chase Collegiate School
- Columbia University
- Connecticut Association of Independent Schools
- CUNY School of Law Foundation
- Dover Business College
- Fairleigh Dickinson University
- Fashion Institute of Technology
- Felician College
- Fitchburg State University
- Framingham State University
- Goodwin College
- Hopkins School
- Immaculate Heart High School
- Jewish Theological Seminary
- Kean University
- Litchfield Montessori School
- Millbrook School
- Loyola High School
- Macaulay Honors College Foundation
- Marymount High School
- New York University
- Pratt Institute
- Research Foundation of The City University of New York
- Servite High School
- St. John's University
- Stone Academy
- Suffield Academy
- The Choate Rosemary Hall Foundation
- The Hotchkiss School
- The Taft School Corporation
- The University of Hartford
- The Unquowa School Association
- Washington Montessori Association
- Williams Memorial Institute
- Winchendon School

Other Not-for-Profit Organizations

- Affordable Living for the Aging, Inc.
- American Institute of Certified Public Accountants
- Archdiocese of Los Angeles
- Argus Community, Inc.
- American Society for the Prevention of Cruelty to Animals
- Art + Practice
- BRIDGE Housing Corporation
- Building Industry Association
- Cardiovascular Research Foundation
- Catholic Answers, Inc.
- Catholic Charities Diocese of Brooklyn and Queens
- Financial Executives International
- Fuller Foundation
- Girl Scouts of Greater Los Angeles
- Girl Scouts, San Diego - Imperial Council
- Goodwill Industries of San Diego County
- Hill-Stead Museum
- HumanGood
- Jewish Federation Council of Greater
- Los Angeles
- Met Council
- Metropolitan Museum of Art
- Mystic Seaport Museum
- New Hope Foundation
- Newman's Own Foundation
- Orthopedic Institute for Children and Orthopedic Foundation
- Palladia Inc.
- Panasonic Foundation
- Parent Institute for Quality Education
- Publishers Marketing Association
- Restore Neighborhoods LA, Inc.
- San Diego Habitat for Humanity
- San Diego Housing Commission
- San Diego Regional Chamber of Commerce
- Skirball Cultural Center
- The Painted Turtle
- Valley Village
- Wadsworth Atheneum
- Wallis Annenberg Center for the Performing Arts
- WEAVE
- Windsong Trust
- YMCA of Metropolitan Los Angeles
- YMCA of San Diego County
- Zoological Society of San Diego



We also encourage you to contact these individuals in your consideration of CohnReznick and ask the challenging questions that will help you appreciate the value CohnReznick can bring to your engagement.

Reference Name & Address	Contact Name	Contact Information
University Student Union California State University, Northridge 18111 Nordhoff Street Northridge, CA 91330	Joseph Illuminate Associate Director, Accounting & Finance	818-677-6492
California State University, Northridge – The University Corporation 18111 Nordhoff Street Northridge, CA 91330	Lih Wu Chief Financial Officer	818-677-4815
California State University, Northridge Foundation 18111 Nordhoff Street Northridge, CA 91330	Ira Unterman Chief Financial Officer	818-677-3025
Loyola High School of Los Angeles 1901 Venice Blvd Los Angeles, CA 90006	Jim Rich Chief Financial Officer	213-381-5121 x 1317
YMCA of Metropolitan Los Angeles 625 S New Hampshire Ave, Los Angeles, CA 90005	Jenny Chan Chief Financial Officer	213-351-2254



Question 5: Itemized Fees

5. A comprehensive itemization of fees, including the preparation of annual tax returns, for each of the auxiliary organizations, for the three years to be covered by the contract. It should also outline the fee or the amount of discount allowed if all three auxiliary organizations agree on contracting with the same audit firm.

Cost-Conscious Fees and Expenses

CohnReznick is committed to establishing a long-term, mutually rewarding relationship with CSULA. The foundation of this relationship begins with an understanding of your organization and internal control. Accordingly, we will not charge for the non-recurring time that must be expended in the first year of our engagement to obtain the necessary background and understanding of your control environment. We take this opportunity to spend as much time as necessary to familiarize ourselves with your operations, books and records, and philosophies. This investment often exceeds 15% of our estimated first year's budgeted hours.

We have a sincere desire to work with you and feel it is important that you consider our services to be of the highest value to your organization. We hope that you view our professional fees as value-added investments. If they prove to be viewed only as an expense, the true value of our relationship has not been attained. As such, we are committed to providing CSULA with quality professional services in the most effective and cost-efficient manner possible.

In developing our fee, we consider the degree of responsibility assumed, the complexity of the engagement, and the special skills necessary to solve problems. Based on our discussions, and on an assumed level of cooperation from your staff, we are proposing to perform the following services:

Itemization of Fees for Audit & Tax Services	FEES (\$)		
	6/30/19	6/30/20	6/30/21
Audit services Cal State L.A. University Auxiliary Services, Inc. (UAS), including the Anna Bing Arnold Children's Center	48,400	49,900	51,400
Audit services for California State University, Los Angeles Foundation (Cal State LA, Foundation)	24,200	24,900	25,700
Audit services University-Student Union, Inc. (USU)	20,900	21,500	22,100
Audit services Associated Students of California State University, Los Angeles, Inc. (ASI)	20,900	21,500	22,100
Total Audit Fees	114,400	117,800	121,300
Tax services Cal State L.A. University Auxiliary Services, Inc. (UAS)	3,600	3,700	3,900
Tax services for California State University, Los Angeles Foundation (Cal State LA, Foundation)	2,900	3,000	3,100
Tax services University-Student Union, Inc. (USU)	2,900	3,000	3,100
Tax services Associated Students of California State University, Los Angeles, Inc. (ASI)	2,900	3,000	3,100
Total Tax Fees	12,300	12,700	13,200
TOTAL FEES	\$126,700	\$130,500	\$134,500



Our fees are based on a discount from our standard hourly billing rates and do not include out-of-pocket expenses, which will be billed at cost as incurred. If all four auxiliary organizations engage CohnReznick, we will discount our fees by an additional 5%.

Where services you explicitly request fall outside the nature, scope, and objectives of the engagement as agreed, we commit to submitting to you a proposal, under a separate cover, for the additional fees that will be required before commencing our work.

Percentage of Partner and Manager Hours

Because we believe that our clients deserve significant partner and manager attention, we have budgeted approximately 30% of our engagement hours to partners and managers.

Billing for Questions on Technical Matters

We will not charge CSULA for every minor inquiry or phone call that you make, including technical questions. We want to encourage communication throughout the year that will allow us to assist you proactively rather than reactively.

If we need to spend significant time responding to one of your inquiries, or if significant additional time over the anticipated scope of work is projected, we will discuss the circumstances with you and arrive at a new estimate before any additional time and costs are incurred. These circumstances will result only from a material change in the existing structure or operating characteristics of your organization, from a deficiency by CSULA personnel in generating the accounting records necessary for us to perform our engagement, or from the issuance of new accounting and/or auditing pronouncements that would require us to incur additional time.



Question 6: Audit Timeline

6. The approximate date the audit will begin, including preliminary fieldwork, and end.

We plan to conduct the audit in accordance with CSULA's schedule, to ensure we meet the deadline specified by the CSU Chancellor's Office. The timeline listed below is an estimate and will be adjusted according to the actual deadlines.

Scheduled Timeframe of Reports

Task

Scheduled Timeframe of Reports	Task
<i>Upon notification of selection</i>	Finalize client acceptance and issue engagement letter
<i>April / May</i>	Audit planning meetings with Audit Committee; Planning meetings with management
<i>May/June</i>	Commence interim audit fieldwork
<i>July - August</i>	Commence year-end fieldwork
<i>August 31</i>	Provide draft of Independent Audit Report
<i>First week of September</i>	Exit conference and presentation of draft audit reports to Audit Committee
<i>Mid-September</i>	Deliver final Independent Audit Reports
<i>October 25th</i>	Submit Uniform Guidance Single Audit report for UAS
<i>November 10th</i>	Submit final audit for Anna Bing Arnold Children's Center



Question 7: Information for Attachment A

7. Completion of the required schedules in Attachment A.

Our proposal was structured to provide the information throughout the proposal that would be required to complete Attachment A of the Request for Proposal. Upon notification of being awarded the engagement we will submit all schedules as required by the Chancellor's Office as part of our client acceptance procedures. We have successfully completed the audit of the auxiliaries of California State University, Northridge for the past 4 years and CohnReznick is currently a firm approved by the Chancellor's Office.





Question 8: Our Peer Review

8. A copy of the most recent Peer Review report.

As an independent public accounting firm registered with the Public Company Accounting Oversight Board and as a member of the Center for Audit Quality of the American Institute of Certified Public Accountants, CohnReznick undergoes triennial peer reviews of our audit and accounting practices. We are proud to say that in our most recent peer review, CohnReznick received a peer review rating of “pass,” the highest of the three ratings issued, indicating that our firm adheres to the highest standards of the profession.



Report on the Firm's System of Quality Control

To the Partners of CohnReznick, LLP and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of CohnReznick, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2017. 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. 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 in conformity with 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 the system of quality control and the firm's compliance therewith 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 and examinations of service organizations (SOC 1 and SOC 2 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 CohnReznick, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2017, 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*. CohnReznick, LLP has received a peer review rating of *pass*.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
December 1, 2017





Appendix: Description of Our Firm



CohnReznick is a national advisory, assurance, and tax firm founded in 1919. As one of the top accounting firms in the United States, CohnReznick provides forward-thinking service across nearly two dozen industries and serves businesses ranging from multigenerational family-run enterprises to public companies in the Fortune 1000. We have the deep resources and technical acumen of a large national accounting firm without sacrificing the hands-on, entrepreneurial approach that today's dynamic business environment demands. This combination allows us to offer the proactive insight and guidance our clients need as they grow and evolve. CohnReznick has developed specialized practices in key industries, including manufacturing and distribution, allowing us to specifically target relevant service offerings and knowledgeable personnel to each client. Because of our depth of resources across service lines, we serve in a variety of client service roles, including primary auditor, advisor, tax consultant, and other specialized roles. In addition to solid capabilities in core practice areas, CohnReznick has expanded the breadth of our service offerings in response to our clients' needs. We foster collaborative connections across every level and branch of our organization so that the professionals who will serve you will have access to our firm-wide depth of resources.



An overview of our service capabilities includes:

ACCOUNTING AND ASSURANCE SERVICES



- Audits, Reviews, and Compilations
- Employee Benefit Plans
- IFRS
- SOC 1 (SSAE 16), 2, and 3 Examinations
- Agreed-upon Procedures
- Accounting Outsourcing and Consultations
- Public Company Services
- IT Audit and Controls Review

TAX SERVICES



- Tax Compliance and Preparation
- Strategic Tax Planning
- Corporate Tax Outsourcing
- Private Clients
- Federal Tax
- Trust and Estate
- International Tax
- State and Local Tax
- Transfer Pricing
- Cost Segregation Studies
- New Market Tax Credits
- Tax Specialty Services
- Tax Credit Advisory

ADVISORY



- Bankruptcy and Restructuring
- Computer Forensics and eDiscovery
- Cybersecurity
- Forensic and Litigation
- Governance, Risk, and Compliance
- Government and Public Sector
- Management Consulting and CFO Advisory
- Real Estate Advisory / NOI Strategies
- Technology and Digital Services
- Transactional Advisory and M&A Consulting
- Valuation

To ensure each client relationship is compliant with all regulatory, ethics, and independence standards, CohnReznick has organized several ventures into CohnReznick Affiliated Companies. By coupling our internal capabilities with highly reputable external organizations, we can offer consulting services related to employee benefits, investment, real estate, insurance, risk management, wealth management, and technology.

AFFILIATED COMPANIES



- Capital Markets Securities
- CohnReznick Benefits Consultants
- CohnReznick UIC Insurance Consulting, Inc.
- CohnReznick Real Estate LLC
- CohnReznick Wealth Management LLC
- WJ Technologies

With 26 offices throughout the U.S. and abroad, local engagement teams leverage our Firm-wide resources and deliver close personal service.



Value-Added Resources/Advisory

High-performing organizations and digital disrupters are continuously innovating and redefining everything, from the way industries, operate to how they do business. As a result of today’s business environment, organizations require speed and agility. Innovative companies are focused on expectations around development, operations, technology, risk, growth opportunities, and changing the customer experience. These companies seek new ways to apply lean, strategic, profitable, and competitive business practices to optimize their business model.

As a CohnReznick client, our audit and tax teams will leverage the expertise of our Advisory Practice to address the many different challenges resulting from growth, economic issues, opportunities, or crises. To the extent that our independence is not impaired, our teams identify and implement effective solutions to help organizations optimize profitability and growth, improve workflow and performance, and manage risk and compliance. Our advisory groups specialize in:

Digital and Technology

- CIO advisory / technology strategy
- Cloud solutions
- Cybersecurity
- Digital and innovation consulting
- Enterprise resource planning
- Information management and analytics

Dispute Resolution

- Computer forensics
- eDiscovery
- Forensic accounting
- Litigation support

Government and Public Sector

- Audit, accounting, and financial management
- Compliance support for Federal, state and local government regulations
- Contract compliance and integrity monitoring
- Disaster response and recovery
- Fraud, waste, and abuse prevention
- Program and project management

Management Consulting

- Business transformation
- CFO and financial advisory
- Compensation and benefits strategy
- Operations advisory
- Supply chain optimization

Private Clients

- Business and investment management
- Financial planning and wealth preservation
- Insurance consulting
- Succession planning
- Tax planning, preparation, and compliance
- Trusts and estates

Real Estate Advisory

- Business transformation and enterprise architecture
- Business process optimization, operating models, and organizational design
- CIO advisory, technology triage, technology roadmaps/architecture, and system selection
- Cybersecurity
- Forecasting, planning, and analysis
- Information management
- Portfolio strategy and optimization
- Risk management and internal audit
- System implementation and integration

Restructuring and Insolvency

- Corporate restructuring
- Financial recovery for debtors/creditors
- Pre-bankruptcy and reorganization

Risk Management

- Cybersecurity
- Governance support
- Internal audit
- IT audit and controls
- Sarbanes-Oxley compliance

Transactions

- Buy- and sell-side due diligence
- Corporate development
- Deal sourcing and pre-transaction services
- Post-transaction improvement/integration
- Purchase price disputes

Valuation

- Purchase price allocations (PPA)
- Restructuring and dispute resolution
- Right-of-way valuations
- Tax and financial reporting
- Transactions and strategic advisory



Choosing the right accounting firm is an important decision. At CohnReznick, the relationships we build with our clients exceed the expected accountant/client interactions as we identify opportunities, think strategically, and turn strategies into actions. Our goal is clear - to provide insight and guidance to our clients that help them succeed. We offer the bench strength and breadth of skills of a national organization with the personal touch of a trusted advisor.

CohnReznick is uniquely qualified to provide the services that you require. Our entrepreneurial and proactive culture is one of our primary differentiators which leads to a more efficient service delivery model. Our mission is to provide forward-thinking solutions, service that exceeds expectations and create opportunity, value, and trust for our clients, our people, and our communities.

