



Proposal prepared for:  
**James Island Charter High School**



## SECOND SECTION – COST ESTIMATE

### 1. Audit Scope

It is our understanding that this engagement will involve an audit of your financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles.

Our audit of the Organization's financial statements would be conducted in accordance with Generally Accepted Auditing Standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. If, during the course of our audit, any information that comes to our attention which would require us to issue an opinion other than an unmodified opinion, the nature of the change and the reasons therefore would be discussed with you prior to submission of our report.

### 2. Assistance Expected

In order to achieve an efficient performance of our audit, we would require assistance from your personnel. Included in this area would be locating and submitting documents, records, and certain reconciliations and listings, accumulating data for financial reporting purposes, and typing of confirmations, if needed. We will provide a list of items needed to personnel well in advance of fieldwork to ensure staff has adequate time to gather the requested information.

Our team assumes that the Organization's records will be maintained in good condition. Management and any service providers used are responsible for complete and accurate records. If we anticipate any problems with obtaining accurate records, we will pause the audit process and discuss with management what we believe needs to be adjusted in order to continue. Once the issue is resolved, the audit would then resume. By pausing the audit process, this will ensure there are no surprise findings.

### 3. Audit Approach and Timeline

#### *Planning Highlights*

- Hold a planning meeting with management
- Inquiries for Organizational changes since last audit
- Inquiries of Organizational performance of period under audit
- Confirm expectations for audit timeline and requests
- Perform risk assessment
- Walk through internal controls of key financial processes
- Establish expectation of when books will be closed and ready to be audited
- Coach the Organization with trouble close-out areas so audit can begin on time
- Review request audit documentation list with management

#### *Fieldwork Highlights*

- Progress of the audit would be supervised by the engagement Partner
- At least two team members on-site (or virtual, if necessary)
- Conduct substantive and analytical tests using risk-based approach. Some areas of likely higher risk for the Organization are:
  - Cash
  - Pension
  - OPEB
  - Leases
  - Compliance with Government Auditing Standards
  - Compliance with Single Audit, if applicable
  - Revenue Recognition
- Regular communication to management on progress and challenges

#### *Reporting Highlights*

- Draft financial report to management
- Exit conference with management, Audit Committee, and Board with Q&A session
- Review draft financial report with management
- Discuss any noted internal control deficiencies or best practices
- Deliverables:
  - Audited financial statements
  - AU-C 265 letter: Control deficiencies, if applicable
  - AU-C 260 letter: Communication to Board of Directors

#### *Audit Timeline*

- Planning: July 2023
- Fieldwork: August 2023 (assumes majority of requested items will be provided by end of July)
- Issue final deliverables: October 15, 2023
- Presentation to Finance Committee: October 2023
- Provide final Form 990: December 15, 2023

## Tax Services Approach

### IRS 990 Reporting

Veris has extensive experience in form 990 reporting and understands the importance of not only the presentation of the financial information, but the requirements to demonstrate the Organization has a strong governance environment and sound board principles.

The Tax Manager assigned to your Organization will be responsible for accumulating applicable form 990 information related to the vast amount of questioning required of the form 990. This accumulation of information will occur during the audit process, so that upon completion of the audit there is not a time delay in finalizing the form 990 and its issuance.

#### *Deliverables*

- PDF draft of form 990 to Board members for review and approval
- E-file all forms

### State Tax and Public Charity Reporting

Veris will assist your Organization by preparing applicable financial reporting for your state tax and state public charities registrations that occur annually.

We are versed not only in the reporting requirements at the state level, but also understand how the state uses and publicizes this data to the public for use. It is critical that we have public use and perception of data in mind as we help you meet this reporting requirement.

#### *Deliverables*

- Provide signature-ready financial report (or equivalent)
- Provide delivery coordination to the Secretary of State



"As a non-profit, The Flowertown Players depends on the up-to-date knowledge that Veris provides in completing our 990s. Not only does the firm keep us in compliance, but they are always willing to answer our questions and show us ways to improve our processes."

**Monica Shows, The Flowertown Players**

## 4. and 5. Professional Fees

Our proposed fees are budgeted based on the time and classification of the personnel assigned to the engagement. Our fees also assume that the Organization's records will be maintained in good condition.

The fees set forth below are **fixed and will not be exceeded** assuming there are no significant difficulties encountered with regard to the Organization's accounting records and the planned assistance and cooperation from your staff. Our fixed fee assumes management has adequately reconciled the Organization's accounting records, posted all necessary adjustments, and has schedules to support the ending balances of all accounts, including but not limited to, contributions receivable, investments, and net assets. Should any such matters arise which may result in additional fees, we will discuss them with you in advance of performing any additional work.

Services	Fees
<b>For the year ended June 30, 2023</b>	
Financial Statement Audit	\$ 24,000
Single Audit, if necessary	\$ 4,500
Preparation of Form 990	\$ 1,400
<b>For the year ended June 30, 2024</b>	
Financial Statement Audit	\$ 25,000
Single Audit, if necessary	\$ 5,000
Preparation of Form 990	\$ 1,450
<b>For the year ended June 30, 2025</b>	
Financial Statement Audit	\$ 26,000
Single Audit, if necessary	\$ 5,500
Preparation of Form 990	\$ 1,500
<b>Unlimited phone calls, supplies, and travel costs</b> Feel confident that you won't be charged for calls to go over questions. We encourage communication as it reduces stress and anxiety during the year-end audit and allows us to provide value year-round. Additionally, if we need to travel out to your location to provide our services you will not be billed for any out-of-pocket costs as these are factored into our fixed fees.	Included

## 6. Client Testimonials

“Dorchester Habitat for Humanity gives Veris its highest recommendation. Veris exceeded our expectations in the first year of preparing our audit report and tax returns. Preparing for an audit is always the most time-consuming process for DHH’s team. Veris’ careful and attentive assistance in helping our team prepare for the audit directly impacted the time it took Veris to investigate and complete their report. The Veris team was responsive to all the questions we had, from the RFP through the presentation of the audit report and tax returns. Veris explained their audit results and recommended ways to enhance our internal controls and processes to allow our non-profit organization to operate at its highest potential. The Veris team demonstrated superior knowledge of accounting policies and practices specific to charitable non-profits.”

**Jaye Jones Elliott, *President and CEO, Dorchester Habitat for Humanity***



“Veris is an extremely professional firm. Our audit was well planned and executed with efficiency. Throughout the process and beyond, the team was always there to answer questions, offer advice, and work with us to find constructive solutions in accordance with best accounting practices. Community trust is the biggest asset of any nonprofit which means a thorough independent audit is critical. It is clear that

the Veris team worked hard to understand our unique business to arrive at an informed opinion. It is a bonus that they were really pleasant to work with along the way.”

**Michael Smith, *Executive Director, Charleston Symphony Orchestra***

“Veris has been a pleasure to work with over the years. The audit team communicates with me effectively, provides a convenient and organized way to track and exchange documents during the course of the audit, and works with my own schedule to allow me to accomplish my day-to-day activities within my Organization, as well as manage my side of the audit process.”

**Debbie Suggs, *City Treasurer, City of Isle of Palms***



“Veris is a first-rate audit firm. Their audit team provides great client service, and they are very knowledgeable about our organization. As a nonprofit organization with limited staffing, they are always seeking ways to make the auditing process as smooth for us as they possibly can. They take the time to discuss our objectives and always seem to get things done either on time or early. They are always within reach throughout the year to answer questions and overall, they are hands down a nice group of people to work with.”

**Brenda Falls, *Director, Barrier Islands Free Medical Clinic***