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June 29, 2023

To the Board of Directors of  
Pacific Swimming  
c/o Mary Ruddell  
Concord, California

We are pleased to submit this brief outline of our firm, our people, and our nonprofit services. If you would prefer a more detailed proposal or further information, we would also be happy to respond accordingly.

As a firm, we are proud of our expertise and commitment to serving a wide variety of nonprofit organizations (a selected list of clients served is included within the Statement of Qualifications),

Professionally, I have specialized in serving nonprofit organizations for over thirty years including as senior manager responsible for the nonprofit practice at Deloitte and Touche (San Francisco office), followed by working for a large, nonprofit organization, Kaiser Permanente.

At Kaiser Permanente, I was Director of Internal Audit Services, as well as Assistant Corporate Controller responsible for Risk, Internal Control, and Financial Policy (including the implementation of Sarbanes-Oxley). I have a passion for the nonprofit sector. Additionally, I have served on a number of nonprofit boards of directors as treasurer and currently serve as President of a large children's auxiliary.

In addition to my two professional licenses, I am a member of the AICPA's Nonprofit Section and have been recognized for my nonprofit expertise in the form of two separate digital badges awarded by the AICPA (see below).

We are equally proud of our client service model, which is markedly different than other firms. We do not employ inexperienced staff to perform audits or other services on-site. Experienced and mature professionals perform on-site audit work to ensure a detailed understanding of the client's business, build strong working relationships with management, and ensure that risks are properly addressed. Our partners continue to "roll up their sleeves" and perform the work requiring greater expertise. As such, you will receive the personal attention from experienced professionals on-site that other firms do not provide - we strive to be on our client's "speed dial".

We are confident in our ability to provide quality services at competitive prices. We propose professional fees of \$9,300 to audit the financial statements of Pacific Swimming as of and for the year ended August 31, 2023. Professional fees for the preparation of Form 990 and related informational returns are \$1,700. These fees are inclusive of expenses and represent a significant

discount from our standard pricing and assume the work will be performed outside of the traditional busy season.

We hope to continue working with Pacific Swimming and admire the work that you do! Please let me know if there is any further information you desire.

Fond regards,

*Cropper Accountancy Corporation*

Mary Ann Cropper, CPA, CGMA  
Partner  
Cropper Accountancy Corporation



# Statement of Qualifications

To Serve

## Pacific Swimming



# TABLE OF CONTENTS

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<b>SECTION ONE</b>	Firm Overview
<b>SECTION TWO</b>	Not-for-Profit Expertise
<b>SECTION THREE</b>	Client Service Delivery
<b>SECTION FOUR</b>	Tax and Other Consulting Services
<b>APPENDIX A</b>	Not-for-Profit Resume for Mary Ann Cropper
<b>APPENDIX B</b>	Outline of Partner Experience
<b>APPENDIX C</b>	Peer Review Report

## Firm Overview

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*Cropper Accountancy Corporation is a highly respected public accounting and consulting firm in Northern California, serving clients and growing with the greater Bay Area since 1980. Our firm consists of three partners, one senior manager, one manager, and five staff accountants. Our partners have both partnership and/or senior management experience with “Big Four” firms and in industry.*

Our partners have worked “on the other side” in industry and on boards of directors and understand your operational challenges and competing priorities. An outline of our partners’ professional experience is provided in the attached appendix.

We are a firm purposefully remaining small and less leveraged than other firms, in order to provide more personal and continuous service by highly qualified, experienced personnel.

Our client service model is markedly different than other firms. We do not employ inexperienced staff to perform audits or other services. Experienced and mature professionals perform all audit work to ensure a detailed understanding of the client’s business, build strong working relationships with management, and ensure that risks are properly addressed. Our partners continue to “roll up their sleeves” and perform the work requiring greater expertise. As such, you will receive the personal attention from experienced professionals on-site that other firms do not provide. Mary Ann Cropper will perform all audit work during the initial audit year.

We are locally owned and operated with an office in Walnut Creek, California.

We serve a variety of industries. Mary Ann Cropper is the Partner-in-Charge of the not-for-profit practice, while Bruce Cropper is the Partner-in-Charge of our insurance, brokerage, and consumer business practices, and John Cropper is the Partner-in-Charge of our government practice. Each partner has extensive expertise within those industries (see appendices).

## **LICENSE TO PRACTICE IN CALIFORNIA**

Cropper Accountancy Corporation and all managers and partners are properly registered and licensed to practice as certified public accountants in the State of California.

## **INDEPENDENCE**

Cropper Accountancy Corporation and all related personnel are independent of Pacific Swimming as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards. We ascertain independence and any potential conflicts of interest by annual independence sign-offs from all professional partners and staff, as well as representations from all partners and staff regarding potential new clients throughout the year.

## **CONTINUING EDUCATION**

All partners, managers, and professional staff meet the continuing education requirement set forth by the AICPA. All of our people receive a minimum of forty hours of continuing professional education each year through external AICPA classes and industry conferences, including a minimum of 24 hours of governmental accounting and auditing training.

## **QUALITY CONTROL AND PEER REVIEW**

Our firm is a member of the American Institute of Certified Public Accountants Division of Firms. Membership requires us to adhere to rigorous quality control standards in our accounting and auditing practice and to submit to a review of our practice by our peers.

We are proud of our peer review results and are pleased to share the results with you in the attachment. Our most recent peer review included a review of two government engagements. We have included a copy of our most recent peer review report in the Appendix.

Over and above AICPA professional standards, Cropper Accountancy is a PCAOB-registered practice firm with even stricter regulatory and quality control standards.

No disciplinary action has ever been taken by any licensing authorities against the firm.

## Not-for-Profit Expertise

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*We believe that the most effective and efficient audits are performed by professionals expert in required professional standards relevant to a particular industry and the technical issues related thereto.*

A quality financial statement presented in accordance with generally accepted accounting principles provides reliable financial information for management in fulfilling their responsibilities, as well as vital protection for trustees striving to fulfill their fiduciary duty and for external stakeholders.

Understanding the unique risk areas and systems of internal control common to not-for-profit organizations is critical to the performance of a quality audit or other professional services. Our professionals understand these issues.

One of our partners, Mary Ann Cropper, has served the not-for-profit industry in Northern California for over twenty-eight years not only in public accounting, but internally as a financial executive at Kaiser Permanente, as well as on numerous nonprofit boards of directors. Our not-for-profit practice currently audits over thirty not-for-profit organizations and consults with other organizations on governance issues, internal audit projects, forensic accounting projects, and other.

The following is a representative list of not-for-profit clients served by Mary Ann Cropper, Partner-in-Charge of our not-for-profit practice (with associations highlighted in bold):

ACLU California Action	<b>ONVIF, Inc.</b>
Agricultural Institute of Marin	<b>Open Visual Communications Consortium</b>
<b>American Academy of Ophthalmology (and related C4 organization)</b>	<b>Open ID Foundation</b>
American Civil Liberties Union of Northern California (and related C4 organization)	Orinda Community Foundation
Adopt a Special Kids	The Packard Foundation
<b>Association of California Symphony Orchestras</b>	Packard Humanities Institute
Berkeley Youth Alternatives	Planned Parenthood Advocacy Project of Los Angeles County (c4 social welfare organization)
	California Planned Parenthood Educational Foundation

**California Pharmacists Association**

California Urban Water Agencies

Chinese Progressive Association

Center for Empower Politics

Center for Empowered Politics Education Fund

Community Alliance with Family Farmers

**Connectivity Standards Alliance**

**COVESA**

Crossroads Diversified Services

Deaf and Disabled Telecommunications Program

The Energy Foundation

The Exploratorium

**EMerge Alliance**

Empower Yolo

Equal Rights Advocates

**I3 Forum**

James Irvine Foundation

Jewish Community Federation of San Francisco, the Peninsula, Marin and Sonoma Counties

Kaiser Permanente Health Plan and Hospitals

Legal Services of Northern California

**Mopria Alliance**

Parent Teacher Home Visits, Inc.

Planned Parenthood Affiliates of California (c4 social welfare organization)

Public Policy Institute of California

Public Interest Law Project

San Francisco AIDS Foundation

San Francisco Ballet

San Francisco Opera

San Francisco Symphony

San Francisco Museum of Modern Art

Stay Pleasant Hill

Studios for the Performing Arts Operating Company (CLARA)

**The Special Interest Group for IIAS Standards, Inc. (SIGIS)**

Suisun Conservation Fund

Sustainable Solano

**Thread Group**

University of San Francisco

Visit Concord

Wellspring Women's Center

**ZigBee Alliance**

## Client Service Delivery

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*We believe the most important factor to ensure a quality audit and client satisfaction is the knowledge and experience of the audit professionals serving the organization.*

Cropper Accountancy Corporation utilizes a unique client service delivery model. The highest quality services are provided by professionals specialized in the governmental industry. We do not employ inexperienced staff to perform audits or other services, and, as such, you will spend no time training our personnel. Client service partners “roll up their sleeves” and perform all on-site work in order to gain a detailed understanding of the client’s business, build strong working relationships with management and the board, and ensure that all audit risks are properly addressed. As such, you will receive on-site, personal attention from experienced professionals that other firms do not provide.

Moreover, there are significant levels of professional judgment needed in an effective and efficient audit. Such experience and judgment will inform unique audit responses in the circumstances and as professional standards allow.

Continuity is as important to us as it is to our clients. It enables us to focus on substantive issues rather than start up concerns and fosters strong client relationships and skilled analysis. As mutual partners in the firm, continuity of the audit team is assured from year to year. We are also proud of the continuity of our clients, rarely experiencing any client turnover even in industries who routinely rotate audit firms.

## SECTION FOUR

# Other Consulting Services

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### **Tax Consulting Services**

In addition to reviewing or preparing informational tax returns required of not-for-profit organizations, our professionals can provide value with regard to issues related to tax exempt status, unrelated business income, political activity, or conflicts of interests.

### **Internal Audit Services**

Mary Ann Cropper has extensive internal audit expertise after having served as the Director of Internal Audit Services at Kaiser Permanente Health Plan and Hospitals. We provide a variety of internal audit services to clients, including risk universe identification, enterprise risk management, Sarbanes-Oxley compliance, and other internal audit outsourcing services. In addition, we provide litigation support, including fraud investigation services as well.

### **Other Consulting Services**

Should other services be requested by our clients, we have the expertise to respond in a variety of other areas:

- Sarbanes-Oxley Compliance: *Assessment and evaluation of the design and operation of internal controls*
- Tax-exempt Bond Financing
- Enterprise Risk Assessments
- Internal Audit Methodology
- Preparation of Policies and Procedures
- Forensic Accounting and Fraud Investigations
- Expert Witness Testimony
- Business Valuation
- Microsoft-certified computer and network support
- Work-flow Redesign and Reengineering

# Not-for-Profit Resume for Mary Ann Cropper

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## Summary

Non-Profit and Health Care Expertise  
Big 4 Audit Senior Manager  
Director of Internal Audit for large, complex health care company  
Sarbanes-Oxley implementation experience for large, complex health care company  
Technical expert and instructor at the national level for Deloitte staff  
Experience with venture financings, IPOs, bond offerings  
Start-up company and large corporate experience

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## PROFESSIONAL EXPERIENCE

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### **CROPPER ACCOUNTANCY CORPORATION (2005-PRESENT)**

Walnut Creek, CA

#### **Partner**

### **KAISER PERMANENTE HEALTH PLAN AND HOSPITALS (2002-2005)**

Oakland, CA

*\$25B Not-for-Profit, Integrated Health Care Organization, including 8.2M members and 30 medical centers*

#### **Assistant Corporate Controller, Internal Controls and Policy**

*Responsible for Sarbanes-Oxley implementation nationally, including the following responsibilities and accomplishments:*

- Leadership of the SOX implementation team (consisting of 10 divisional controllers, as well as a new national staff of 6 direct reports and 60 consultants)
  - Demonstrated cross-functional project leadership in a matrixed environment
  - Completed project on time, highlighting and identifying business transformational opportunities and necessary incremental improvements
  - Drove business cultural change, improving accountability and educating operational units regarding risk and controls. Developed and rolled out internal controls education throughout the program
  - Developed SOX methodology, policy and procedures for all business units and divisions, researching PCAOB, SEC, and other industry guidance
- Leadership of cross-functional Policies and Procedures Committee to develop and formalize financial policy to ensure SOX compliance and establish accountability
  - Developed comprehensive approach and internal financial policy setting process, improving time to issuance and incorporating necessary SOX controls and accountability into financial policy
- Board and senior management reporting related to SOX and internal controls

- Management of corporate office SOX implementation including process documentation, creation and performance of test plans, identification of controls design and operational deficiencies and development of remediation plans

### **Director of Internal Audit Services**

*Responsible for both California divisions and a department of 45 internal audit professionals (\$5M budget), including the following responsibilities and accomplishments:*

- Development of the audit plan, resource planning, budgeting, and senior management and Board reporting
- Leadership of initiatives to improve departmental performance
  - Led development of comprehensive internal training curriculum and core competencies for all audit staff
  - Led installation of new audit management software to improve departmental planning and operations
  - Developed and implemented balanced scorecard metrics reporting and new audit reporting for business owners
- Leadership of enterprise-wide risk assessment project
  - ERA results facilitated a multi-year audit plan addressing key organizational risks and resulted in Board initiatives
- Oversight of audits, consultations, and fraud investigations and coordination with cross-functional teams including business process owners, legal, regulatory compliance, human resources, and security departments
  - Developed first-ever fraud protocols to establish accountability and process during the conduct of investigations

### **DELOITTE (1986-1993; 1996 – 2002)**

San Francisco, California

#### **Audit Senior Manager**

*Responsibilities included the following:*

- Management of recurring not-for-profit audit work and a wide variety of consulting projects. Special projects include bond offerings, review of internal controls, information systems needs analysis, and investigation of fraud and financial mismanagement
  - Named Manager of the Year by audit staff in first year of management
- Performed technical accounting research and implemented new accounting pronouncements relevant to not-for-profit clients
- Coordination of and curriculum development for partner and manager training in Northern California and National not-for-profit trainings. National and local course instructor for technical accounting courses and management training
- Presentations to and regular attendance at not-for-profit client audit and finance committees and boards of directors meetings

- Management of campus recruiting activities, including event planning, classroom presentations, and interview schedules. Conducted interviews for new and experienced hire candidates

#### **OTHER ACTIVITIES AND PROFESSIONAL AFFILIATIONS**

- Certified Public Accountant, State of California, 1990
- Stake Primary President (children's auxiliary)
- Marcus A. Foster Educational Institute, Former Board Member and former Treasurer
- Cerebral Palsy Center of the Bay Area, Former Board Member
- BYU Marriott School of Management, Alumni Board
- American Institute of Certified Public Accountants
- Institute of Internal Auditors
- Financial Executives Institute

#### **EDUCATION**

B.S. in Accounting, cum laude, Brigham Young University, Provo, Utah 1986  
Northwestern Executive MBA Programs

#### **LANGUAGES**

Conversational Japanese and basic German

## Outline of Partner Experience

Team Members	Bruce Cropper	Mary Ann Cropper	John Cropper
<i>Years of Experience</i>	55	35	30
<i>Role</i>	<b>Technical Review Partner</b>	<b>Lead Client Service Partner</b>	<b>Advisory Partner</b>
<i>Current and Prior Professional Experience</i>	Bruce Cropper established his own audit firm over thirty-five years ago and has since been joined by family members in the firm. Their individual experience is as follows:		
<ul style="list-style-type: none"> <li>- “Big Four” experience</li> <li>- Industry experience</li> </ul>	<p><b>Partner, KPMG</b></p> <p><b>Chief Financial Officer</b>, National Grain Company</p>	<p><b>Senior Manager, Deloitte</b></p> <p><b>Director of Internal Audit</b>, Kaiser Permanente</p> <p><b>Assistant Corporate Controller</b>, Kaiser Permanente</p>	<p><b>Partner, Armanino and McKenna LLP</b></p> <p><b>Corporate Controller</b>, Virtual Education</p>
<i>Professional Certifications</i>	CPA	CPA, CGMA	CPA, CGFM, CGMA
<i>Education</i>	MBA, University of California, Berkeley  BS, University of California, Berkeley	BS, Brigham Young University	BS, Brigham Young University
<i>Community</i>	Former president and member of the Board of the Acalanes Union High School District	Treasurer, Interfaith Council of Contra Costa  Stake Primary President (children’s auxiliary)  Treasurer, Marcus Foster Educational Institute for the Oakland Public Schools	Treasurer, Contra Costa County PAC Committee  Former member of the CSCPA state GASB committee

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## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 30, 2022

To the Shareholders of  
Cropper Accountancy Corporation  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cropper Accountancy Corporation (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 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 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 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 a compliance audit under the Single Audit Act and an examination of a service organization SOC 1® engagement.

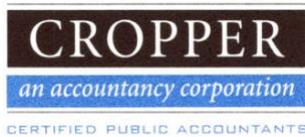
As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Cropper Accountancy Corporation applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 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*. Cropper Accountancy Corporation has received a peer review rating of *pass*.

*Watson Coon Ryan, LLC*

Watson Coon Ryan, LLC



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June 29, 2023

To the Board of Directors and Management of  
Pacific Swimming  
Concord, California

We are pleased to confirm our understanding of the services we are to provide for Pacific Swimming for the year ended August 31, 2023.

### **Audit Scope and Objectives**

We will audit the financial statements of Pacific Swimming, Inc. which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively the “financial statements”).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (“GAAS”) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, (4) violations of laws or governmental regulations that are attributable to the organization or to acts by management or employees acting on behalf of the organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Risk of management override of internal controls
- Risk related to revenue recognition
- Risk related to allocations of functional expenses

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories (as applicable), and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality and security of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

## **Other Services**

We will prepare the organization's federal and related state returns, as applicable, for the tax year based on information provided by you. We will also prepare the financial statements of the organization in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statements and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

## **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making drafts of financial statements, making all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization involving: (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the organization complies with applicable laws and regulations. You are also responsible for the preparation of the supplementary information (as applicable) in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

**Engagement Administration, Fees and Timing**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Mary Ann Cropper is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Timing for the audit is outlined as follows:

Audit planning	October 2023
Start of audit fieldwork	November 6, 2023
Audit entrance conference (in person)	November 9, 2023
Audit exit conference (pre-draft)	December 4, 2023
Extensions for informational returns	December 4, 2023
Drafts of audit reports	December 10, 2023
Drafts of informational returns	December 17, 2023
Client report and return review and edit results	January 4, 2024
Revised audit reports and informational returns for board approval	No later than January 15, 2024

The above timing assumes that all requested schedules and information in the appendix are provided to us at the beginning of audit fieldwork, and the information for the informational returns is provided to us no later than December 10, 2023.

We estimate that our total fees for the audit will be \$9,300. Fees to prepare and electronically file the informational tax returns will be \$1,700. These fees include expenses. The fee estimate is based on cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit and all requested information will be available by the start of fieldwork. The fees set by this agreement are based upon the following assumptions: management will respond promptly to all requests for basic information and/or documentation; the books will have been posted through the year; all adjustments will have been posted; and that year-end schedules supporting the account balances will be provided. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

**Reporting**

We will issue a written report upon completion of our audit of Pacific Swimming’s financial statements. Our report will be addressed to the board of directors of Pacific Swimming may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance, if, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

\*\*\*\*\*

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Cropper Accountancy Corporation*

Cropper Accountancy Corporation

RESPONSE:

This letter correctly sets forth the understanding of Pacific Swimming.

Signature: \_\_\_\_\_

Title:

Date:

**PACIFIC SWIMMING**  
**Management Information and Schedules - Audit Preparation**  
**Year Ending August 31, 2023**

*Note: We will continue to utilize Suralink,, a collaboration tool where all information and schedules requested can be uploaded and shared, tracked and status easily communicated*

**General**

- 1) Preliminary reports Financial Statements and trial balance as of and for the year ending August 31 (from QuickBooks software) – in Excel including:
  - a) Trial balance
  - b) Balance sheet
  - c) Income statement
  - d) General ledger
  - e) Class report
  - f) Job report
  - g) Accounts receivable aging
  - h) Accounts payable aging
  - i) Journal entry report
  - j) Cutoff general ledger activity from September 1, 2023 through start of audit fieldwork
2. Copies of minutes of Board of Directors meetings, including Finance/Audit Committee meetings (minutes of meetings ***through the end of audit fieldwork***)
3. Listing of related parties during fiscal 2023 (individuals, families, and their companies; common board members)
4. Copies of any ***new*** significant contracts such as grant agreements, space and equipment leases, debt and line of credit agreements, employment agreements, retirement plans, as applicable
5. Lease analysis per ASU 842, as applicable
6. Donated goods and services analysis at fair value, as applicable
7. Confirmations (templates to be provided by Cropper Accountancy)

8. Copy of any *new* policies and procedures (including code of conduct, conflict of interest, whistleblower, investment, etc.)
9. Copy of board of directors roster for 2023 (with officers and associated compensation)
10. Tax questionnaire updated for the year

### **Cash and Investments**

1. Copy of all bank statements and reconciliations as of August 31 and September 30 (with access to all other months while on-site).
2. Copy of bank and investment forms showing current bank account signers and wire transfer agreements, if there have been any changes during the year
3. Investment activity schedule (beginning balance, purchases, maturities/sales, ending balance), including analysis of income earned and gains/losses, detailed by individual account

### **Receivables**

1. Listing of any grants and contributions promised as of August (but not yet received)
2. Detail listing of all receivables due from employees, directors, or other related parties, if any

### **Prepays and Other Assets**

1. Detail schedule of prepaid expenses and other assets, as applicable, including supporting documentation such copies of insurance invoices/policy statements, prepaid rent and health insurance, and/or event deposits, etc.

### **Inventory**

1. Reconciliation of book to physical inventory count as of August 31, by inventory type
2. Inventory rollforward from prior year (beginning balance, purchases, sales at cost, and ending balance)

### **Property and Equipment**

1. Fixed asset sub ledger as of August 31
2. Supporting documentation for all significant property and equipment additions (greater than threshold)
3. Supporting documentation for all property and equipment retirements during the year
4. Physical inventory taken during the year, as applicable
5. Reconciliation of fixed asset ledger to general ledger, if different

## **Liabilities**

1. Detail schedule of accrued expenses, including the calculation of accrued vacation by employee and any accrued bonuses/compensation
2. Debt activity rollforward including line of credit by debt issue (beginning balance, proceeds, principal paid, and ending balance), as applicable
3. Grants payable analysis by club as of August 31 (promised/board approved but not yet paid)
4. Accrued pension plan contributions detail and support as of August 31, as applicable
5. Analysis of deferred revenue and associated revenue, by member or type, as applicable

## **Net Assets**

1. Roll forward activity schedule for donor restricted net assets (done at donor/grantor level) with beginning balance, donor restricted revenue additions, amounts released from restriction, and ending balances
2. Support for amounts released from restriction by donor/grant or contract (if not detailed in job report)
3. Copy of new grant agreement/support for restricted donations during the year ended August 31
4. Reconciliation of prior year net asset balances (per financial statements) to current year beginning balances, if different

## **Revenue and Expenses**

1. Draft functional expense analysis (with support for salary allocations among functional classes, if not performed in class or job reports)
2. 2022/2023 Fiscal Year Meet Schedule
3. Copy of LSC and Zone Finance Compliance Calendar
4. Fiscal 2023 dues schedule (with USA Swimming included) and Entry Meet fee schedule
5. Grant summary/analysis by individual club and grant type for the year ended August 31
6. Analysis of revenue and deferred revenue as of August 31 by swim club
7. Analysis of fundraising events, by event (revenues and expenses)
8. Copies of all grant agreements, as applicable
9. Copy of fundraising literature used during the year, as applicable
10. Log for all donated goods and services, including valuation of fair market value, as applicable

11. Analysis of staff payroll expense by individual employee (job, position, annual salary, 2023 payroll expense as reconciled to total payroll expense)
12. Copy of the last payroll register in August 2023 and the first payroll register in fiscal 2024 and annual payroll summary by employee
13. Key information for the tax return including:
  - a) Description of program service accomplishments, including associated expenses and grants
  - b) Description of mission statement, if changed during the year
  - c) Copy of any key governance and financial policies changed during the year relevant to the return
  - d) Copy of Forms W-2 and W-3 and Form 1096
  - e) Officer and key employee compensation analysis
  - f) Schedule I detail (grants) including name, EIN #, address, amount, and grant purpose
  - g) Board roster including officer title and compensation (and avg hours worked per week) – and # of voting members
  - h) Listing of any grants and donations received \$5,000 and over (name, address, amount)
  - i) Listing of any independent contractors (individuals, businesses) receiving \$100,000 or more in compensation for the year (name, address, amount)
  - j) # of volunteers
  - k) Analysis of lobbying, by type, as applicable
  - l) Detail for related party disclosure (including family members, businesses, and any transactions with related parties)