



May 14, 2024

Marva Foster, Board President
Attention: Ann VanderLaan, Board Attorney
Michigan Virtual Charter Academy
1620 E Elza Avenue
Hazel Park, Michigan

Dear Ms. Foster:

Enclosed is the engagement letter for Michigan Virtual Charter Academy for the year ending June 30, 2024. Generally Accepted Auditing Standards and *Government Auditing Standards* require that we communicate, during the planning stage of an audit, certain information to the Board of Directors. This information includes the auditors' responsibilities in a financial statement audit, including our responsibilities for testing and reporting on compliance with laws and regulations and internal control, and the planned scope and timing of the audit. The engagement letter includes the items which must be communicated to the Board of Directors.

Therefore, please make copies of the attached engagement letter and forward the copies to each member of the Board of Directors. Additionally, please inform the Board of Directors, that as part of our audit procedures we will be selecting a member of the Board of Directors to direct specific inquiries to as part of our risk assessment process. However, any of the members of the Board of Directors are invited to contact us to discuss any matters they feel as though may be of audit significance, or areas of concern.

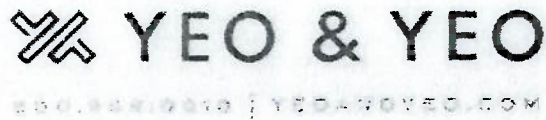
Please sign and return the enclosed copy of the attached engagement letter to us at your earliest convenience.

If you have any questions, please call me.

Sincerely,

Jennifer Watkins, CPA
Yeo & Yeo, P.C.
CPAs & Advisors

Enclosures



May 14, 2024

Board of Directors and Management
Michigan Virtual Charter Academy
1620 E Elza Avenue
Hazel Park, Michigan

We are pleased to confirm our understanding of the services we are to provide Michigan Virtual Charter Academy for the year ended June 30, 2024.

Michigan Virtual Charter Academy does not employ any employees. The "management" and "employees" referenced in the below Letter of Engagement are employed by Stride K12 pursuant to the terms of the Educational Products and Services Agreement (EPSA). The Board, which is charged with governance, enters into the EPSA to ensure its responsibilities related to the matters below are fulfilled.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Michigan Virtual Charter Academy as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Michigan Virtual Charter Academy's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Michigan Virtual Charter Academy's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis.
- Budgetary Comparison Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies Michigan Virtual Charter Academy's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- Schedule of Expenditures of Federal Awards

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with

GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* 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.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United State, and will include tests of your accounting records, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, 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, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. 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. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

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 government'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, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We will communicate significant risks of material misstatement identified in our audit planning with a specific individual or individuals charged with governance during our required discussions as part of our planning process. Our audit procedures will be developed to address the specific risks identified.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant those emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

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 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.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures - Internal Control

We will obtain an understanding of the government 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 error or fraud, 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 opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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 management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Michigan Virtual Charter Academy's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also provide the following services, some of which may be covered by separate engagement letters, which cover the terms of each separate engagement. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

- Assist in preparing financial statements, related notes, and supplementary financial information, in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP)
- Assist in preparing the government-wide conversion
- Assist in preparing calculations related to GASB 87 for leases, and related journal entries
- Assist in preparing calculations related to GASB 96 for subscription-based information technology arrangements
- Assist in preparing the schedule of expenditures of federal awards and related notes, in accordance with Uniform Guidance
- Assist in preparing the Summary Schedule of Prior Audit Findings
- Assist in preparing the data collection form

We will perform the services in accordance with applicable professional standards. 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.

You agree to assume all management responsibilities relating to the financial statements related notes, required supplementary information, other supplementary information, the non-audit services listed above, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them. At the conclusion of the audit, you agree to retain all work products provided to you as part of our engagement in order to maintain complete records to support the audited financial statements. Under the AICPA Code of Professional Conduct, we cannot serve as custodian of your data under the independence rule.

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, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, 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); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government 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 your

responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented 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 government 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 government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. 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 make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Yeo & Yeo, P.C., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

With regard to an exempt offering document with which Yeo & Yeo, P.C. is not involved, you agree to clearly indicate in the exempt offering document that Yeo & Yeo, P.C. is not involved with the contents of such offering document.

Engagement Administration, Fees, and Other

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

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services or we will provide an addendum to be governed by the terms of this engagement letter.

We will provide copies of our reports to Michigan Virtual Charter Academy and the Michigan Department of Education; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Yeo & Yeo, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Michigan Department of Education, the U.S. Department of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Yeo & Yeo, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the U.S. Department of Education. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jennifer Watkins is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in approximately August 2024 and to issue our reports no later than October 31, 2024.

Professional standards require us to be independent with respect to the Organization in the performance of our services. Any discussions that management has with personnel of Yeo & Yeo regarding employment could pose a threat to our independence. Therefore, we request that management inform the engagement principal prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Neither party shall, during the term of this engagement and for one year after its termination, solicit for hire as an employee, consultant or otherwise, any of the other party's personnel without such other party's express written consent. If the Organization desires to offer employment to a Yeo & Yeo employee and the employee is hired in any capacity by the Organization, a compensation placement fee of 25% of their compensation (including overtime and bonus) may apply.

Yeo & Yeo, P.C. has an established portal system to allow for secure transfer of your confidential information. The portal system is not intended to be utilized as a record storage device, purely a means to transmit information. Documents provided via the portal system will be removed approximately within a year after it has been provided.

Our price for these services will be \$ 24,000. The fee does not include costs for single audit, if deemed necessary an additional fee of \$7,500 will be added for the first major program and \$3,750 for each additional major program, as required. Our fees for the calculation of GASB 87 Leases and GASB 96 *Subscription Based Information Technology Arrangements* will be charged at our standard hourly rates. Our invoices for these services will be

rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes past due and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above price is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If additional time becomes necessary to complete your engagement, we will discuss the issues with you and arrive at a new price estimate, which may or may not occur before we incur the additional time.

To be respectful of your time and ours, we schedule our client work well in advance. When engagements have to be rescheduled it causes a domino effect, as we likely have other clients scheduled in the new requested time slot, and our staff are likely scheduled on another client. As a result, we may have to put your engagement at the end of the line, and/or change staff. When our staff members finishing the work are not the same as those who started it, the audit is less efficient and more disruptive to your and our staff. Our price quoted above is contingent on the following:

- All items on the assistance list being completed by the due dates indicated.
- The audit being performed during the dates scheduled.
- All accounts being adequately reconciled by the beginning of scheduled fieldwork.
- Accurate information provided to us that does not require subsequent rework.
- Suralink is used to provide the assistance list items to us.

If the above items are not met and the engagement needs to be rescheduled or if additional days need to be scheduled, then an additional price of 20% will apply. Beyond this, the time required for rework and posting client requested entries after we have been given the trial balance will be billed at our standard hourly rates.

Reporting

We will issue written reports upon completion of our audit. Our report will be addressed to management and those charged with governance of the Michigan Virtual Charter Academy. Circumstances 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 opinions, 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 opinions are 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 opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Michigan Virtual Charter Academy is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

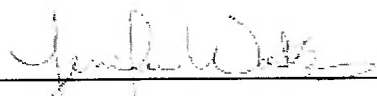
Our engagement will end upon delivery of your audited financial statements and our report thereon for the year set forth above. Any additional services that may be required will be part of a separate and new engagement. Should you wish to engage us to audit your financial statements for any other year, and should we accept such engagement, such engagement will be a separate and new engagement. A new engagement letter for any services beyond the scope of this engagement will govern the terms and conditions of the new engagement.

We appreciate the opportunity to be of service to Michigan Virtual Charter Academy 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.

Our engagement letter, includes an Addendum (Exhibit 1), including Exhibits A and B, which are attached hereto and incorporated by reference herein and sets forth the understanding between the Parties.

Sincerely,

Yeo & Yeo, P. C.
CPAs & Advisors



Jennifer Watkins, CPA
Principal

Michigan Virtual Charter Academy

Signature: 

Title: Board President

Date: 6/17/2024

**EXHIBIT 1-ADENDUM TO YEO AND YEO ENGAGEMENT
LETTER WITH MICHIGAN VIRTUAL CHARTER ACADEMY**

MICHIGAN VIRTUAL CHARTER ACADEMY AND YEO & YEO

ADDENDUM TO MAY 12, 2023 LETTER OF ENGAGEMENT FOR AUDITING SERVICES FOR FISCAL YEARS 2022-2023 AND 2023-2024

Addendum to Letter of Engagement for Auditing Services, dated May 12, 2023, between Michigan Virtual Charter Academy and Yeo & Yeo

Michigan Virtual Charter Academy Board of Directors ("MVCA") and Yeo & Yeo, as evidenced by the signatures of their respective representatives below, agree to the terms and conditions of this Addendum and incorporate this Addendum by reference in the Letter of Engagement for Auditing Services, dated May 12, 2023, between Michigan Virtual Charter Academy and Yeo & Yeo. This Addendum will be attached to the May 12, 2023 Letter of Engagement and incorporated by reference therein.

RECITALS

1. MVCA's Board of Directors approved a Request for Proposals for Auditing Services for Fiscal Years Ending June 30, 2023 and June 30, 2024 (hereinafter "RFP for Auditing Services"), during its regular public board meeting on February 28, 2023. MVCA's RFP for Auditing Services is attached to this Addendum and incorporated by reference in this Addendum and the Letter of Engagement as Exhibit A.
2. In its RFP for Auditing Services, MVCA included Section III, entitled "Contractual Provisions" which stated the following:

III. CONTRACTUAL PROVISIONS

Each firm/contractor must provide a copy of its form of contract or engagement letter under which it proposes to perform the auditing services. The Academy reserves the right to negotiate with the selected firm regarding the terms and conditions of said contract or engagement letter. In addition, this RFP shall be incorporated by reference in the negotiated contract, or engagement letter and the following terms and conditions are required to be included within the negotiated contract or engagement letter between the parties:

A. Auditing Firm/Contractor Compliance with Applicable Laws, Rules and Regulations and Charter Contract:

While performing the services or while in or on the Academy's facilities, the firm and its employees and agents shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, including all licensing and permitting requirements applicable to providing the services. The Contractor represents and warrants to the Academy that it shall at all times be in compliance with any and all applicable federal, state and local laws, rules, ordinances, policies and regulations and licensing and permitting requirements and the applicable to providing the

Services, including the Charter Contract between the Academy and the Board of Education of the Hazel Park School District. The Contractor shall indemnify, defend and hold the Academy harmless from any liability arising from Contractor's failure to so comply.

B. Indemnification By Firm/Contractor of the Academy:

The auditing firm/contractor shall indemnify, defend and hold harmless the Academy, its Board of Directors, its Board Members, in their official and individual capacities, its administrators, employees, agents, contractors, successors and assigns, from and against any and all claims, counter claims, suits, debts, demands, actions, judgments, liens, costs, expenses, damages, and liabilities, including actual attorney's fees and actual expert witness fees arising out of or in connection with the firm's performance of the services and/or from the firm's violation of any of the terms of the contract, including, but not limited to: (i) the negligent acts or willful misconduct of the firm, its officers, directors, employees, successors, assignees, contractors, subcontractors and agents; (ii) any breach of the terms of the contract by the firm, its officers, directors, employees, successors, assignees, contractors, subcontractors and agents; (iii) any violation or breach of any applicable Federal, State or local law, rule, regulation, ordinance, policy and/or licensing and permitting requirements applicable to providing the services; or (iv) any breach of any representation or warranty by the firm, its officers, directors, employees, successors, assignees, contractors and agents under the contract. The firm shall notify the Academy by certified mail, return receipt requested, at both its main office in Hazel Park School District and its administration office in Grand Rapids, Michigan, immediately upon actual knowledge of any claim, suit, action, or proceeding for which the Academy may be entitled to indemnification under the contract. This paragraph shall survive the expiration or earlier termination of the contract.

C. No News Releases or Statements to the Public By Auditing Firm/Contractor:

The audit firm shall not release news or make any statements to the public, press, or other media relating to the matters pertinent to the financial statements of the Academy, the management letter, or the audit contract, without the prior approval of the Michigan Virtual Charter Academy Board of Directors.

D. Auditing Firm/Contractor Insurances:

The Firm/Contractor submitting a proposal must maintain the following types and levels of insurances which will be included within the contract for services with MVCA:

- a. A comprehensive commercial general liability insurance covering personal injury and property damage with a combined single limit, or equivalent of not less than two million dollars (\$2,000,000.00) per occurrence and four million (\$4,000,000.00). This insurance shall include contractual liability

coverage for the indemnity provided in the contract for Audit Services between the Firm and the Academy.

- b. Automobile liability insurance with combined single limit coverage of not less than Five-Hundred Thousand Dollars (\$500,000.00) each claim, incident or occurrence.
- c. Professional Errors and Omission Liability Insurance with a combined limit of not less than two million dollars (\$2,000,000.00) each claim, incident or occurrence.
- d. Workers' Disability Compensation Insurance in accordance with all applicable statutes of the State of Michigan. A copy of the policy or Certificate of Insurance acceptable to the Academy shall be filed with the Academy prior to the effective date of a contract for Audit Services between the Firm and the Academy.
- e. Certificates of insurances must be furnished by the successful firm to the Academy prior to the commencement of the Audit Services. The respective policies or certificates shall provide for thirty (30) days' written notice of cancellation or material change.

E. Non-Discrimination

The firm/contractor agrees not to discriminate against Michigan Virtual Charter Academy, its Board members, employees, or any employee, staff member, or agent of an Academy contractor based on race, color, national origin, religion, age, sex, pregnancy, gender identify, sexual orientation, family status, marital status, height, weight, disability, genetic information or other legally protected characteristic.

- 3. The MVCA RFP for Auditing Services required that the company/bidders respond in writing to the RFP for Auditing Services by 3:00 pm on March 24, 2023, with delivery to the Hazel Park School District's administration office, located at 1620 E. Elza Avenue, Hazel Park, MI 48030.
- 4. Yeo & Yeo timely submitted its written response to MVCA's RFP for Auditing Services. Yeo & Yeo's March 24, 2023 Response to MVCA's RFP for Auditing Services is attached to this Addendum and incorporated by reference in this Addendum and the Letter of Engagement as Exhibit B.
- 6. The publicly appointed Board Bid Review Committee met on April 18, 2023 and interviewed the auditing firms that responded to MVCA's RFP for Auditing Services. Following the Board Bid Review Committee's interviews, the Board Bid Review Committee recommended that the MVCA Board approve Yeo & Yeo for auditing services for the fiscal years 2022-2023 and 2023-2024.

7. During the MVCA Academy Board meeting on April 24, 2023, the MVCA Board reviewed the MVCA Board Bid Review Committee's recommendation and approved Yeo & Yeo to provide auditing services to MVCA for the fiscal years 2022-2023 and 2023-2024.
8. In accordance with Section III. "Contractual Provisions" of MVCA's RFP for Auditing Services for fiscal years 2022-2023 and 2023-2024, the Parties agree to this Addendum to the May 12, 2023 Letter of Engagement, which contains the "Contractual Provisions" referenced herein. The May 12, 2023 Letter of Engagement and this Addendum thereto (Exhibit 1) shall be approved by the MVCA Academy Board and incorporated by reference therein and made a part thereof.

Now, Therefore, the Parties to this Addendum, Yeo & Yeo and Michigan Virtual Charter Academy (Exhibit 1) together with Exhibits A and B attached to Exhibit 1, hereby agree to the following contractual provisions which are incorporated by reference in the May 12, 2023 Letter of Engagement between the Parties and made a part thereof:

A. Yeo & Yeo Compliance with Applicable Laws, Rules and Regulations and Charter Contract:

While performing the Auditing Services or while in or on the Academy's facilities, Yeo & Yeo and its employees and agents shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, including all applicable licensing and permitting requirements to providing the Auditing Services. Yeo & Yeo represents and warrants to the Academy that it shall at all times be in compliance with any and all applicable federal, state and local laws, rules, ordinances, policies and regulations and licensing and permitting requirements applicable to providing the Auditing Services to the Academy, including the Charter Contract between the Academy and the Board of Education of Hazel Park School District. Yeo & Yeo shall indemnify, defend and hold the Academy and its Board of Directors harmless from any liability arising from Yeo & Yeo's failure to so comply.

B. Indemnification of the Academy By Yeo & Yeo:

Yeo & Yeo shall indemnify, defend and hold harmless the Academy, its Board of Directors, its Board Members, in their official and individual capacities, its administrators, employees, agents, contractors, successors and assigns, from and against any and all claims, counter claims, suits, debts, demands, actions, judgments, liens, costs, expenses, damages, and liabilities, including actual attorney's fees and actual expert witness fees arising out of or in connection with Yeo & Yeo's performance of the Auditing Services to the Academy and/or from Yeo & Yeo's violation of any of the terms of the Letter of Engagement and this Addendum, including, but not limited to: (i) the negligent acts or willful misconduct of Yeo & Yeo, its officers, directors, employees, successors, assignees, contractors, subcontractors and agents; (ii) any breach of the terms of the Letter of Engagement

and this Addendum by Yeo & Yeo, its officers, directors, employees, successors, assignees, contractors, subcontractors and agents; (iii) any violation or breach of any applicable Federal, State or local law, rule, regulation, ordinance, policy and/or licensing and permitting requirements applicable to providing the Auditing Services; or (iv) any breach of any representation or warranty by Yeo & Yeo, its officers, directors, employees, successors, assignees, contractors and agents under the Letter of Engagement and this Addendum. Yeo & Yeo shall notify the Academy by certified mail, return receipt requested, at both its main office in Hazel Park School District and its administration office in Grand Rapids, Michigan, immediately upon actual knowledge of any claim, suit, action, or proceeding for which the Academy may be entitled to indemnification under the Letter of Engagement and this Addendum. This Paragraph shall survive the expiration or earlier termination of the Letter of Engagement and this Addendum.

C. No News Releases or Statements to the Public By Yeo & Yeo:

Yeo & Yeo shall not release news or make any statements to the public, press, or other media relating to the matters pertinent to the financial statements of the Academy, the management letter, the audit or the Letter of Engagement and this Addendum without the prior approval of the Michigan Virtual Charter Academy Board of Directors.

D. Yeo & Yeo Insurances:

Yeo & Yeo shall maintain the following types and levels of insurances:

- a. A comprehensive commercial general liability insurance covering personal injury and property damage with a combined single limit, or equivalent of not less than two million dollars (\$2,000,000.00) per occurrence and four million (\$4,000,000.00) aggregate. This insurance shall include contractual liability coverage for the indemnity provided in the Letter of Engagement and this Addendum for Auditing Services between the Yeo & Yeo and the Academy.
- b. Automobile liability insurance with combined single limit coverage of not less than Five-Hundred Thousand Dollars (\$500,000.00) each claim, incident or occurrence.
- c. Professional Errors and Omission Liability Insurance with a combined limit of not less than two million dollars (\$2,000,000.00) each claim, incident or occurrence.
- d. Workers' Disability Compensation Insurance in accordance with all applicable statutes of the State of Michigan. A copy of the policy or Certificate of Insurance acceptable to the Academy shall be filed with the Academy prior to the effective date of the Letter of Engagement and this Addendum for Auditing Services between the Firm and the Academy.

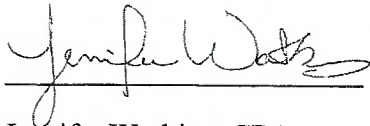
- e. Certificates of insurances must be furnished by Yeo & Yeo to the Academy prior to the commencement of the Auditing Services. The respective policies or certificates shall provide for thirty (30) days' written notice of cancellation or material change.

F. Non-Discrimination

Yeo & Yeo, its directors, officers, partners, employees, representatives and agents agree not to discriminate against Michigan Virtual Charter Academy, its Board of Directors, Board Members, employees, or any employee, staff member, or agent of an Academy contractor based on race, color, national origin, religion, age, sex, pregnancy, sexual orientation or gender identity or expression, family status, marital status, height, weight, disability, genetic information or other legally protected characteristic.

YEO & YEO, P.C.

CPAs & Advisors



Jennifer Watkins, CPA
Principal

MICHIGAN VITRUAL CHARTER ACADEMY

By: _____

Marva Foster
Its: Board President

Dated: _____