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**AGENDA  
WORK SESSION  
MAYOR and COMMON COUNCIL  
of the TOWN OF CAMP VERDE  
COUNCIL CHAMBERS - 473 S. Main Street, #106  
WEDNESDAY, SEPTEMBER 22, 2010  
5:00 p.m.**

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Council will interview the independent public accounting firms of Colby & Powell, PLC and Walker & Armstrong, LLP relative to their experience and qualifications in providing audit services to the Town. The Town's Financial Consultant recommended these two firms following a sealed bid process for Professional Audit Services. During the Council Hears Planning & Zoning Matters scheduled at 6:30 p.m., Council may choose to select one of these firms to provide audit services.**
5. **Adjournment**

Posted by:

*O Jones*

Date/Time:

*9-14-2010*

*8:50 a.m*

*Note: Pursuant to A.R.S. §38-431.03.A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.*

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.



**TOWN OF CAMP VERDE  
Agenda Action Form**

**Meeting Date:** September 22, 2010

**Meeting Type:** Work Session

**Consent Agenda**       **Regular Business**

**Reference Document:** Recommendation from Financial Consultants, Proposals for Professional Auditing Services from top two (2) rated firms.

**Agenda Title (be exact):** Presentations by and possible discussion with the top two firms selected to provide Professional Auditing Services.

**Purpose and Background Information:**

Section 3-4-3.10 (2) of the Town Code states that the term for the external auditor will be no longer than three (3) years; the Town will then go to Request for Proposal (RFP) process for an independent public accounting firm; the firm currently serving the Town will not be eligible to participate in replying to the RFP. Lumbard & Associates, PLLC has completed their third annual audit for the Town, therefore, staff followed the RFP process to engage a new auditing firm.

As requested by the Audit Committee, the Town's Financial Consultants reviewed the proposals submitted for Professional Auditing Services and ranked the proposals based on the same criteria that were established in the RFP documents. The Town's Senior Accountant did not express opinions or participate in the ranking of the proposals in order to adhere to the separation between staff and the selection of the auditor as created with the Audit Committee.

The top two firms as ranked by the Town's Financial Consultants were selected to make presentations and answer questions at this Work Session with Council. The selection of the firm to provide Professional Auditing Services, as well as the authorization to execute an agreement with said firm, is scheduled for the Council Hears Planning & Zoning agenda on September 22, 2010.

**Recommendation (Suggested Motion):**

No action required.

**Finance Review:**  **Budgeted**  **Unbudgeted**  **N/A**

**Finance Director Comments/Fund:**

**Attorney Review:**  **Yes**       **No**       **N/A**

**Attorney Comments:**

**Submitting Department:** Finance Department

**Contact Person:** Lisa Elliott, Senior Accountant

**Action Report Prepared By:** Lisa Elliott, Senior Accountant

# Memo

**To:** Deborah Barber, Town Clerk  
**From:** Lisa B. Lumbard, CPA, CGFM  
**CC:** Lisa Elliott  
**Date:** 9/13/2010  
**Re:** Municipal Audit Proposals

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Documented below are the procedures that I used in evaluating the Municipal Audit Proposals that you forwarded to our office for review and screening:

1. Reviewed the 5 proposals for the basic qualifications per the "Auditor Qualification Checklist" that I previously provided to the Town. All proposals included government audit and Single Audit experience.
2. Prepared an Excel spreadsheet to include the name of each firm, the total hours budgeted for the 2010 audit and the estimated prices 2010, 2011 and 2012, if provided
3. Stratified the responses from lowest bid to highest bid.
4. Eliminated the lowest bid (inadequate hours budgeted for the job) and the highest bid.
5. Working from the remaining 4 bids, I calculated the average hourly billing rate by dividing the total bid price for 2010 by the total hours estimated.
6. Eliminated the highest remaining bid, which also had an hourly rate of approximately 1.5 times the average of the other Firms.
7. From the remaining three Firms, I further eliminated another Firm based upon:
  - a. No municipal audit clients or experience listed
  - b. Inadequate staff (only the Principal and one other person).
  - c. Staff person listed appeared to have full-time job elsewhere.
8. Met with available Town personnel, Accountant, Deputy Clerk, Town Manager and Mayor and discussed the methodology used and obtained their authorization to document our recommendations for the Firms to be interviewed by the Town's Audit Committee or designees.

After all eliminations, I recommend that the Town interview the two remaining Firms as follows:

|                         |           |
|-------------------------|-----------|
| Colby & Powell, PLC     | 228 Hours |
| Walker & Armstrong, LLP | 260 Hours |

The variance in price is due largely to higher estimated hours. Based upon the actual hours that the audits took in the years in which Lumbard & Associates, PLLC performed the audits, we expect that the audit, CAFR submission and AELR should actually take around 300 hours.

Please note that both proposals include an estimate of hours by level of assigned personnel, including Partners, Managers & Staff. I would recommend that the Auditor Selection Committee of the Town inquire of both firms about the experience level of the actual staff level personnel who are expected to be assigned to the project.

Both Firms have many years of experience in performing audits of municipalities and in the 25 years that I have been active in government audits, I do not recall ever hearing any complaints about either Firm.

If you have any technical questions after you review the proposals, I would be happy to be of further assistance.

**AUDIT PROPOSAL FOR THE  
TOWN OF CAMP VERDE, ARIZONA**

**FOR THE YEAR ENDING  
JUNE 30, 2010**

Prepared by:

**Colby & Powell, PLC**  
1535 W. Harvard Ave., Ste. 101  
Gilbert, AZ 85233  
(480) 635-3200

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COLBY &  
POWELL, PLC

CERTIFIED PUBLIC ACCOUNTANTS

1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

August 24, 2010

Town of Camp Verde, Arizona  
ATTN: Deborah Barber  
473 S. Main Street, Suite 102  
Camp Verde, AZ 86322

Thank you for the opportunity to submit this audit proposal to the Town of Camp Verde, Arizona. This letter describes the professional services Colby & Powell, PLC offers to meet the requirements of your request for proposal.

We propose to conduct the audit of the financial statements of the Town of Camp Verde, Arizona for the year ending June 30, 2010. This offer is to perform financial and compliance audits in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, reporting under GASB 34; and the Single Audit Act Amendments of 1996 and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

The Firm's experience and commitment to continuing education and personal service uniquely qualify us to perform this engagement. Our experience in the field of auditing includes almost thirty years of audits of local governments throughout the State of Arizona. We employ a structured continuing professional education training program in the firm to keep ourselves informed of current changes in auditing and accounting requirements. The quality of our audit services is evidenced by the pass opinion on our most recent peer review. We are qualified to perform these audit services and believe the audits will be a beneficial experience for your Town.

We are not affiliated in any way, neither past nor present, with the Town of Camp Verde, its governing council, staff, or member agencies. We meet the required independence standards with respect to the performance of your audit services.

We believe that the accompanying detailed proposal adequately responds to your request. However, should you have any questions concerning this proposal or require additional information please contact me at the number listed above. You may also contact me by e-mail at [sgraff@colbypowell.com](mailto:sgraff@colbypowell.com).

Sincerely,

Scott Graff, CPA

## **I. THE FIRM OF COLBY AND POWELL, PLC**

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We appreciate the opportunity to submit our qualifications to serve the Town of Camp Verde. This document aims to provide the Town with relevant information about our firm and about some areas of our practice that we believe would be particularly relevant to you. As we move forward, we will attempt to develop a more focused understanding of the ways in which our expertise can best be applied to meet the Town's audit needs.

### **PROFILE**

Colby and Powell, PLC is located in Gilbert, Arizona, and is owned by Scott T. Powell, James S. Usevitch, and Scott J. Graff, with Mr. Powell as the managing partner. Scott J. Graff will be the partner in charge of your audit.

David M. Colby first established the firm in 1982 and since then we have continued to provide our audit clients with audits that are accepted by all funding sources and regulatory agencies. Colby and Powell, PLC has helped audit clients improve their accounting systems and internal controls through helpful suggestions made through observations during the course of the audit.

The professional staff includes three partners, one audit manager, two senior auditors, three staff auditors, three para-professional accountants, and one secretary-receptionist for a total staff of thirteen. All audit staff members have accounting degrees, and all key staff members are certified public accountants. We do not discriminate in employment of any persons based upon race, color, creed, national origin, sex, age, or physical handicap.

### **COMMITMENT TO QUALITY**

The single most important factor in our firm's success over the past 30 years has been our commitment to high standards of quality and professionalism. Providing quality service to our clients is our primary objective, and we have developed review procedures and communications that ensure the highest standards of performance.

Colby & Powell, PLC's goal as an audit firm is not only to provide our audit clients with an audit that will be accepted by all funding sources and regulatory agencies, but to help our clients improve their accounting system and internal control by offering suggestions during the course of the audit and reporting these suggestions to management and the governing body.

Our firm has undergone its fifth tri-annual peer review required by the American Institute of Certified Public Accountants. The peer review program is dedicated to ensuring that participating firms have quality control systems in place over their accounting and auditing practices. This program includes a review of our governmental and nonprofit clients. We were pleased to receive a pass opinion on our latest peer review.

While the range of services provided by most accounting firms has expanded significantly, audits continue to be the dominant component of our practice. We reject the idea that an audit is a commodity. In the course of carrying out an audit, your auditing firm should generate



**I. THE FIRM OF COLBY AND POWELL, PLC - CONTINUED**

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information and develop insights that will result in improved controls and safeguards leading ultimately to greater efficiencies and clear, concise, and understandable financial reporting that is respected by the financial community. Our professionals combine competence with judgment, maturity, and creativity—all prerequisites for a quality audit.

Our audit will be conducted in accordance with Generally Accepted Governmental Auditing Standards and will include tests of your accounting records and other procedures we consider necessary to express an unqualified opinion on the financial statements.

If, for any reason, we are unable to render an unqualified opinion, we will discuss the reasons with you and the alternative report that would be issued.

Our goal will be to perform our audit with as little interruption to your daily work as possible. One important aspect of our audit will be interviewing management and key office personnel. We will schedule these at your convenience and, whenever possible, written questionnaires will be used.

We will present the financial statements, our audit reports, and our letters of findings and recommendations to the Town Council and answer any questions that the Council might have.

Our firm is an Arizona licensed Certified Public Accounting firm offering accounting, auditing, taxation, and consulting services. The services provided by Colby & Powell, PLC are rendered by thirteen dedicated professionals and support staff. Our Firm is large enough to provide quality services in order to meet the highest professional standards of quality yet small enough to be responsive to your needs and provide personalized service. Firm partners associated with the audit take a hands-on approach including obtaining an in-depth knowledge of your Town government.

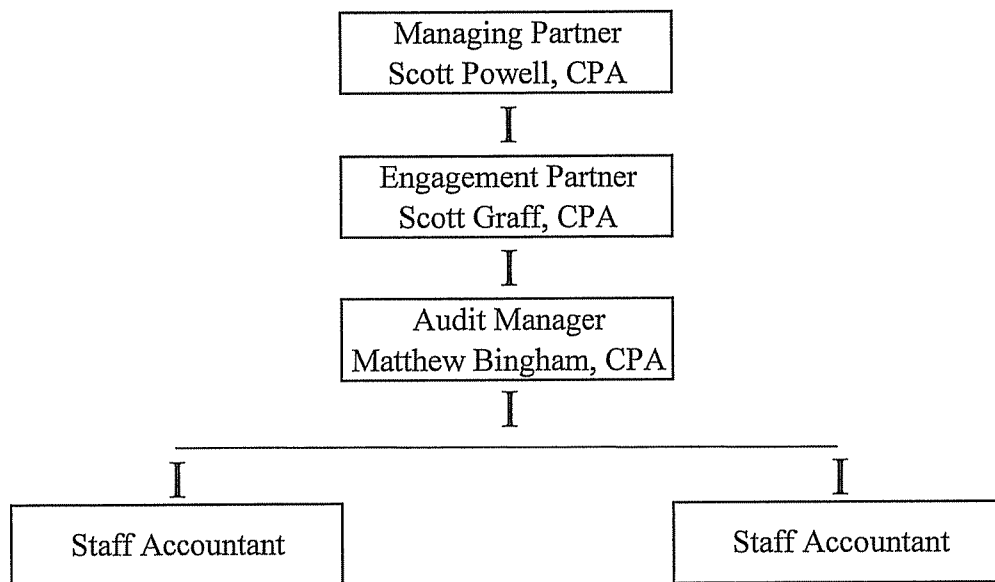
During the past 30 years, the firm's partners have developed a special emphasis in governmental accounting and auditing. Since 1978, the firm or its principals have performed hundreds of audits for Arizona cities and towns. Performing these audits has required that the firm develop training programs to keep the partners and staff knowledgeable about current accounting and audit requirements for governments like yours.

Our firm meets the independence standards under *Governmental Auditing Standards* with respect to the Town of Camp Verde, Arizona.

**I. THE FIRM OF COLBY AND POWELL, PLC - CONTINUED**

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**ORGANIZATIONAL CHART TO BE UTILIZED FOR THIS ENGAGEMENT**



Please note that the Engagement Partner, Audit Manager, and Staff Accountant's will be actively involved in the planning, field work, and reporting processes of the audit.

## II. AUDIT TEAM EXPERIENCE

Our most recent governmental audit experience includes the following entities in Arizona:

### EXPERIENCE - (Last 5 Years)

| City or Town       | Partner           | Scope of Work | Date  | Total Hours |
|--------------------|-------------------|---------------|-------|-------------|
| City of Benson     | James S. Usevitch | Audit         | FY 09 | 150-200     |
| City of Coolidge   | James S. Usevitch | Audit         | FY 09 | 150-200     |
| City of Holbrook   | Scott J. Graff    | Audit         | FY 07 | 175-225     |
| Town of Clarkdale  | Scott J. Graff    | Audit         | FY 09 | 175-225     |
| Town of Duncan     | Scott J. Graff    | Audit         | FY 09 | 100-150     |
| Town of Gila Bend  | Scott J. Graff    | Audit         | FY 09 | 175-225     |
| Town of Guadalupe  | Scott J. Graff    | Audit         | FY 09 | 150-200     |
| Town of Kearny     | Scott T. Powell   | Audit         | FY 09 | 100-150     |
| Town of Mammoth    | Scott J. Graff    | Audit         | FY 09 | 100-150     |
| Town of Patagonia  | James S. Usevitch | Audit         | FY 09 | 100-150     |
| Town of Pima       | Scott J. Graff    | Audit         | FY 09 | 100-150     |
| Town of Quartzsite | Scott J. Graff    | Audit         | FY 09 | 175-225     |
| Town of Superior   | Scott T. Powell   | Audit         | FY 08 | 150-200     |
| Town of Thatcher   | Scott T. Powell   | Audit         | FY 09 | 150-200     |

### REFERENCES

| Audit Client       | Services Provided | Dates of Service | Contact Name     | Address  | Contact Phone No. |
|--------------------|-------------------|------------------|------------------|--|-------------------|
| Town of Guadalupe  | Audits / A-133    | Since 2003       | Robert Thaxton   | 9241 S. Avenida Del Yaqui<br>Guadalupe, AZ 85283 | 480-505-5374      |
| Town of Quartzsite | Audits / A-133    | Since 2002       | Heidi Turner     | P.O. Box 2812<br>Quartzsite, AZ 85346            | 928-927-4333      |
| Town of Clarkdale  | Audits / A-133    | Since 2008       | Kathy Bainbridge | P.O. Box 308<br>Clarkdale, AZ 86324              | 928-639-2445      |
| Town of Gila Bend  | Audits / A-133    | Since 2008       | Stacie Young     | 644 West Pima Street<br>Gila Bend, AZ 85337      | 928-683-2255      |
| Town of Thatcher   | Audits / A-133    | Since 2000       | Terry Hinton     | P.O. Box 670<br>Thatcher, AZ 85552               | 928-428-2290      |

*We will be happy to provide more references at your request!*

## **II. AUDIT TEAM EXPERIENCE - CONTINUED**

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All members of the audit staff have extensive experience providing auditing services to governmental entities. The managing partner, engagement partner, and audit manager assigned to the audit of the Town of Camp Verde, Arizona are licensed Arizona Certified Public Accountants.

In accordance with *Government Auditing Standards*, and the AICPA, all of the personnel listed have received at least 80 hours of continuing education every two years of which at least 24 hours of continuing education subjects relate directly to governmental and nonprofit auditing.

### **Scott T. Powell, CPA (Managing Partner)**

Scott attended Eastern Arizona College and is a 1982 graduate of Arizona State University with a Bachelor of Science degree in accounting. While attending school, he worked with the Arizona Department of Revenue in the Income Tax Audit Section, and interned as a staff member with Rosenham and Colby, CPA's. Scott continued his professional career as a staff accountant with Rosenhan & Colby, CPA's and its successor firm, David M. Colby, CPA, during which time he had significant experience in auditing nonprofit, governmental, and commercial entities. In January 1989, Scott joined with David M. Colby (retired) to form Colby & Company, CPA's, the predecessor firm to Colby & Powell, PLC.

Scott has audited and provided services to a diversity of clients including local government units, health and welfare organizations, homeowners' associations, and construction contractors. He has also spent considerable time assisting clients with their tax, accounting, and consulting needs.

Scott's community activities include many years involvement with the Boy Scouts of America where he has served as a Chartered Organization Representative, Assistant District Commissioner, Varsity Scout Coach, and currently volunteers as a Venturing Crew Leader.

Scott is a member of the American Institute of Certified Public Accountants (AICPA) and the Arizona Society of Certified Public Accountants (ASCPA) and has served on the Governmental Accounting Standards Committee of the Arizona Society of Certified Public Accountants.

### **Scott J. Graff, CPA (Engagement Partner)**

Scott Graff received his Bachelor of Science degree in accounting from Southern Utah University in 1998. Since joining the firm, he has provided over 100 audits of various cities, towns, clubs, homeowners' associations, as well as profit and nonprofit organizations. He has assisted our clients on several engagements which include accounting, tax, and consulting services. His understanding of the flow of information through the accounting system has been instrumental in helping our clients in understanding their internal controls and processes and improving on them.

## II. AUDIT TEAM EXPERIENCE – CONTINUED

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Scott specializes in the performance of audits of nonprofit and governmental entities. These audits commonly receive funding from various grants and contracts that require the audit to be in accordance with *Governmental Auditing Standards* and the requirements applicable to Single Audit and OMB Circular A-133.

Scott has audited various nonprofit charitable organizations that receive contributions with various restrictions and promises to give with various conditions. Although these transactions can be complex, his experience in auditing these contributions and promises to give have provided him with the knowledge of their appropriate revenue recognition

Scott has spoken professionally to town councils, boards of directors, and finance committees on various accounting and auditing issues. Through these communications he has resolved many questions and concerns regarding accounting and auditing areas that are common among these various organizations.

Scott is a member of the American Institute of Certified Public Accountants (AICPA), and the Arizona Society of Certified Public Accountants (ASCPA).

### **Matthew J. Bingham, CPA (Audit Manager)**

Matt is an accounting graduate of Arizona State University's W.P. Carey School of Business. Since joining the firm Matt has performed and assisted with over 60 audit and review engagements. Matt has an extensive knowledge of the audit and accounting standards and their application to your audit.

Matt has developed an expertise in the audits of governmental and nonprofit entities and has concentrated a majority of his continuing education to the planning and performing of these types of audits as well as the related financial reporting. His experience with our governmental and nonprofit clients has helped Matt understand and recognize problem areas and suggest ways to improve those areas for the organization's benefit.

Many of the audits that Matt has performed have required the use of *Government Auditing Standards* and the Single Audit Act under the OMB Circular A-133. Through his involvement with the auditing of various federal programs, Matt has acquired skills necessary for the testing of compliance and internal controls over compliance.

Prior to joining Colby & Powell, PLC, Matt worked as an accountant for the Town of Guadalupe, Arizona. Matt's duties at the Town of Guadalupe provided him with a strong knowledge of the unique accounting and finance challenges facing local governments. Matt has a strong knowledge of various accounting software programs and databases and was instrumental in writing a billing system for one of the Town's enterprises.

Matt is a member of the American Institute of Certified Public Accountants (AICPA), and the Arizona Society of Certified Public Accountants (ASCPA).

## II. AUDIT TEAM EXPERIENCE – CONTINUED

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### **Mark T. Hagedorn, CPA (Senior Auditor)**

Mark is an accounting graduate of Brigham Young University-Idaho. Mark has assisted in audits, reviews, and compilations for governmental and nonprofit organizations and has knowledge of accounting software programs. Since joining the firm Mark has performed and assisted with over 30 audit and review engagements. Mark has an extensive knowledge of the audit and accounting standards which has been essential in assisting our clients through their audit and financial reporting process.

Mark has developed an expertise over internal control systems and has been instrumental at our firm in assisting in the planning of our audits. Mark has assisted in the testing of internal controls over accounting as well as compliance requirements. Mark excels in helping entity personnel understand the objectives of the audit and works well with them to achieve the objectives that are outlined in the audit plan.

Mark has worked on various audit engagements that are governmental or nonprofit. Many of these audits commonly receive funding from various grants and contracts that require the audit to be in accordance with *Governmental Auditing Standards* and the requirements applicable to Single Audit and OMB Circular A-133.

Mark is a member of the American Institute of Certified Public Accountants (AICPA), and the Arizona Society of Certified Public Accountants (ASCPA).

### **III. AUDIT PLAN**

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Upon selection as auditors, we will hold an entrance conference with Town of Camp Verde, Arizona's staff responsible for the accounting functions to discuss expectations and schedule the audit fieldwork.

#### **AUDIT PLANNING AND INTERNAL CONTROL**

Our audit field work will include obtaining an understanding of the Town and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

These objectives will be achieved through:

- Inquiry of client personnel
- Observation of accounting processes
- Examinations of documents
- Walk-through of transactions
- Review of your policies, procedures, and objectives
- Tests of accounting systems to process and report transactions accurately
- Testing of controls through use of audit sampling
- Preliminary analytical reviews of account balances

We will draw upon such resources as budgets, organizational charts, manuals and programs, and other management information systems.

We will make every effort to use schedules and analyses already prepared for internal purposes and eliminate unnecessary duplication of effort between our staff and yours.

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.

#### **SUBSTANTIVE AUDIT PROCEDURES**

As a result of the above procedures, we will tailor our audit programs to fit the reporting and compliance requirements of the Town and its funding sources. We will also prepare a detailed audit plan and a list of all schedules and documentation to be provided by the Town's accounting staff.

### III. AUDIT PLAN – CONTINUED

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Our focus on the significant issues at this stage of the audit will facilitate the efficient completion of substantive procedures, which may include:

- Tests of documentary evidence supporting the transactions recorded in the accounts
- Tests of certain assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions through direct confirmation of accounts
- Tests of the adequacy of the accounting and disclosure of revenue and functional expenses including the basis established for allocation among functions
- Tests of disclosures over financial accounting policies and procedures
- Tests of compliance among filing requirements of federal, state, and local regulations
- Tests of adjusting journal entries
- Analytical testing of significant account balances

We will make every effort to use schedules and analyses already prepared for internal purposes and eliminate unnecessary duplication of effort between our staff and yours.

#### TIME LINE

We are committed to meeting the following time line in coordination with Town's accounting and finance staff.

| <u>Function</u>                                   | <u>Date</u>       |
|---|-------------------|
| • Begin audit fieldwork                           | October 14, 2010  |
| • Draft financial statements                      | December 16, 2010 |
| • Final signed auditors opinion delivered to Town | December 30, 2010 |



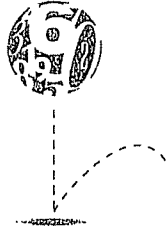
**IV. ESTIMATED FEES**

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Our fee for these services will be:

*See Sealed Proposal*

**ATTACHMENTS**



**Ball & McGraw, P.C.**  
*Certified Public Accountants*

351 West Hatcher Road, Phoenix, AZ 85021  
Phone (602) 942-3435 Fax (602) 942-8555  
e-mail: [info@ball-mcgraw.com](mailto:info@ball-mcgraw.com)

## System Review Report

July 22, 2010

To the Owners  
Colby & Powell, PLC  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Colby & Powell, PLC (the firm) in effect for the year ended December 31, 2009. 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. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Colby & Powell, PLC in effect for the year ended December 31, 2009, 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*. Colby & Powell, PLC has received a peer review rating of *pass*.

*Ball & McGraw P.C.*

CPA  
No. 10000

VENDOR INFORMATION FORM

NAME OF COMPANY

Colby & Powell, PLLC

STREET OR P.O. BOX

1535 W. Harvard Ave

CITY, STATE AND ZIP CODE

Gilbert, Arizona 85233

CONTACT NAME

Scott J. Graff, CPA

CONTACT PHONE NUMBER

480-635-3200

EMAIL ADDRESS

Sgraft@colbypowell.com

WEBSITE ADDRESS

www.colbyco.com

FEDERAL TAX ID NUMBER

[REDACTED]

**TOWN OF CAMP VERDE**

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**PROFESSIONAL AUDITING SERVICES  
Years ending June 30, 2010, 2011 and 2012**

**Bid Number 10-085**

Submitted by: Walker & Armstrong LLP  
4000 North Central Avenue, Suite 1100  
Phoenix, Arizona 85012-1989

Telephone: (602) 230-1040  
Toll free: (800) 262-3519  
Fax number: (602) 230-1065

Contact Person: Steven L. Tait, CPA  
Managing Partner

Date of Submission: August 31, 2010

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# Walker & Armstrong LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Phoenix  
4000 North Central Avenue  
Suite 1100  
Phoenix, Arizona 85012  
602.230.1040  
602.230.1065 (Fax)

Tucson  
7225 North Oracle Road  
Suite 208  
Tucson, Arizona 85704  
800.262.3519

August 31, 2010

[www.wa-cpas.com](http://www.wa-cpas.com)

Ms. Deborah Barber, Town Clerk  
Town of Camp Verde  
473 South Main Street, Suite 102  
Camp Verde, Arizona 86322

Dear Ms. Barber:

Thank you for the opportunity to submit this proposal for auditing services to the Town of Camp Verde (the Town). This letter and the enclosed proposal describes the professional services Walker & Armstrong LLP offers to meet your needs.

There are three significant reasons why we believe we are distinct from other firms that want to serve the Town.

1. The service team we have selected from staff accountant to partner has more than ***fifty years of combined experience*** serving governmental entities and programs. We currently have ***twenty-three*** ongoing governmental audit engagements.
2. We have ***twenty years experience*** in assisting governmental entities in submitting comprehensive annual financial reports (CAFR) and we are ***members of the CAFR review committee*** of the Government Finance Officers Association.
3. We have ***over twenty years of single audit*** experience that gives us a broad background in auditing federal programs including programs administered by the Town. We currently have ***twenty-eight*** ongoing single audit engagements.

Ms. Deborah Barber, Town Clerk  
Town of Camp Verde  
August 31, 2010  
Page two

### Scope

We propose to audit the basic financial statements and the combining and individual fund and account group financial statements and schedules of Town of Camp Verde for the year ended June 30, 2010, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years. Our audits will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and if applicable the *Single Audit Amendment Act of 1996*; and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We will include tests of the accounting records of the Town and other procedures we consider necessary to enable us to express an unqualified opinion that the basic financial statements and the combining and individual fund and account group financial statements and schedules are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Should the Town require a single audit, we will report on the schedule of expenditures of federal awards and on the Town's compliance with laws and regulations and its internal controls as required for a single audit.

In addition, we will review the comprehensive annual financial report prepared by you and provide comments and suggestions regarding compliance with GFOA reporting requirements.

Also, we will audit the Arizona Annual Expenditure Limitation Report for the year ended June 30, 2010, and issue other reports required by auditing standards.

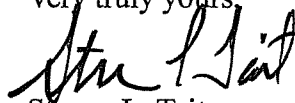
We have the resources to complete our audit and issue our reports by December 30, 2010, as outlined in your request for proposal. We commit to this schedule and will work closely with the Town throughout the engagement to accomplish this objective.

This proposal is a firm and irrevocable offer for 60 days.

We believe the foregoing and the enclosed proposal meet the requirements of your Request for Proposal, but if you have any questions, please let us know. We would be pleased to discuss this proposal with you at any time.

Thank you again for the opportunity to propose these services. We believe that as you review the qualifications of the firm you will find Walker & Armstrong LLP well qualified to provide you with the services you require. We look forward to continuing to work with you.

Very truly yours,



Steven L. Tait



**Walker & Armstrong, LLP**  
**Audit and Accounting Department**  
**Organizational Chart**

**Steven L. Tait, CPA**  
Managing Partner

**Randall L. Ottaway, CPA**  
Audit Partner

**Jay Z. Parke, CPA**  
Audit Partner

**Timothy D. Hopkins, CPA**  
Audit Supervisor

**Tamara K. Parker**  
Audit Supervisor

**Lindsay L. Stowe**  
Audit Senior

**Rebecca K. Bradac**  
Audit Senior

**Kristi M. Miller**  
Audit Senior

**Cass Crandall, CPA**  
Audit Senior

**Additional Staff Accountants**

## **Qualifications and Experience of Firm**

Walker & Armstrong LLP, established in 1971, is a firm of Certified Public Accountants with two offices in the state of Arizona employing twenty people, including fourteen professionals and six support staff. The firm is a member of the Private Companies Practice Section of the AICPA. The partners of the firm have over fifty years of public accounting experience. We have grown into a reputable local firm, especially in performing audits and accounting services for governmental entities. We offer the Town the experience and expertise of a regional firm, combined with the attention and focus of a dedicated local firm. We are truly large enough to meet your needs, yet small enough to deliver the responsive service you expect. All firm personnel assigned to the audit of the Town are based in our Phoenix office. Walker & Armstrong LLP will be designated as the principal auditor.

We offer a wide variety of services in the areas of accounting, auditing, taxation and advisory services. Clients have benefited from continuing personal contacts with partners of the firm. By emphasizing this type of service, we are able to assure continuity in the supervision of our services and in knowledge of the business activities of our clients. It is our belief that this enables us to provide better service to our clients in the most efficient manner. The partners place emphasis on maintaining an in-depth knowledge of the industry and business of our clients to be able to furnish our clients with timely and accurate advice.

### **Quality**

Walker & Armstrong LLP is proud of the reputation we have achieved for providing quality services to our clients. This reputation has been earned through continued commitment to maintaining the highest level of technical and ethical standards at all levels of the firm.

Our level of quality is maintained through:

- Our dedication to the diligent supervision and review of work assignments
- Our commitment to continuing education with an emphasis on emerging governmental accounting issues
- An independent review of financial statements and reports before issuance.

### **Other Professional Resources**

The firm subscribes to various internet based research services in order to perform any necessary research of reporting or accounting issues related to the Town. Our staff are familiar with - and often use - these research services to provide effective and timely responses to reporting issues.

Should we require additional resources outside of those available internally, our firm is able to obtain additional advice or counsel through the Technical Support Services and Private Companies Practice Section of the American Institute of Certified Public Accountants.

## **License to Practice in Arizona**

Walker & Armstrong LLP is licensed to practice in Arizona. All key personnel to be assigned to your audit are registered with the Arizona State Board of Accountancy.

## **Peer Reviews**

We are devoted to providing quality services, and we have taken extra steps to assure that we meet the highest professional standards of quality. We have completed *seven* peer reviews of our quality controls which were conducted by independent CPAs which have always included governmental entities. A copy of our most recent peer review report is included as an addendum to this proposal. We have always received unqualified reports indicating our compliance with our profession's quality control standards.

## **Federal and State Desk Reviews**

Federal and state desk reviews are done of our single audit reports as part of normal cognizant agency procedures. No field reviews have been performed on our audit files. The results of the desk reviews were all positive and all single audit reports have been accepted by the grantor agencies. We have no record of having performed substandard audit work.

## **Independence**

Our firm has not provided any professional auditing services or specific attestation engagements for the Town of Camp Verde for the past five years.

We meet the independence standards under the AICPA Code of Professional Ethics and the independence standards of the U.S. General Accounting Office's *Governmental Auditing Standards* (2007) with respect to Town of Camp Verde.

## **Qualifications and Experience of Staff**

Walker & Armstrong LLP is proud of the reputation we have achieved for providing quality services. This reputation has been earned through continued commitment to maintaining the highest technical and ethical standards at all levels of the firm and through our ability to retain dedicated, motivated, and talented staff members.

All audit team members are experienced in auditing computerized accounting systems and are current with continuing education requirements including those required under *Government Auditing Standards*. Our quality control systems provide for the training and development of staff. We have enjoyed considerable success in training and retaining auditors who have extensive governmental experience. To the extent possible, we try to maintain continuity of staff assigned to the engagement in recognition of the benefit to both our clients and the firm.

## **Audit Team**

**Steven L. Tait** has been a practicing Certified Public Accountant for over thirty years with local and national firms, primarily in the Phoenix area. He has experience in performing and directing audit, accounting, tax and consulting engagements in a variety of industries. He is the managing partner at Walker & Armstrong LLP with responsibility for directing all audits and accounting services, including all governmental audits performed by the firm.

**Randall L. Ottaway** is an audit partner with over twenty-four years of public accounting experience. Mr. Ottaway is a Certified Public Accountant, and has *twenty-two years experience* directing the audits of municipalities, counties and Indian communities including those listed in the reference section of our proposal. Mr. Ottaway's continuing professional education includes courses in performing single audits for state and local governments and guidance on auditing nonprofit organizations. Randy will be available to provide technical assistance as needed.

**Jay Z. Parke** is a practicing Certified Public Accountant and an audit partner with over eleven years of public accounting experience, including over *eleven years* of governmental audits that include municipalities, counties and Indian communities. Jay's continuing professional education includes courses in performing single audits for state and local governments and guidance on auditing nonprofit organizations. Jay will be responsible for directing the planning, fieldwork and reporting functions and performing the technical review of the engagement.

**Timothy D. Hopkins** is a practicing Certified Public Accountant and audit supervisor with over five years public accounting experience with emphasis on governmental and nonprofit entities. He has an extensive background in information technology. Mr. Hopkins' continuing professional education includes courses in performing single audits for state and local governments and guidance on auditing nonprofit organizations. He will be available to assist with any information technology evaluations or issues that may be required for the audits.

**Seniors and Associates** - The members of our firm attend various continuing professional education that is provided by in-house sources or accredited organizations. For instance, we have sent firm members to the Annual Governmental Accounting Conference and Governmental Accounting and Auditing Update which are sponsored by the Arizona Society of Certified Public Accountants. We also attend the Annual Professional Development Conference that is sponsored by the Phoenix Chapter of the Association of Government Accountants. We have quarterly update videos and manuals for governmental and non-profits that are provided by an accredited organization and are completed by our firm members in-house. By attending the continuing professional education conferences and videos, our firm members are in compliance with the Yellow Book continuing professional education requirements. Our firm has a monitoring system that maintains a list of each firm member's continuing professional education and which ones qualify for the Yellow Book requirements on a regular basis, along with their certificates and agenda of the conference.

With our governmental audit experience, we have developed the resources and ability to audit federal or state programs the Town now has or may receive in the future.

## Similar Engagements with Other Governmental Entities

The following is a listing of the five (5) most significant engagements performed in the past five years that are similar to the engagement described in this request for proposal:

1. **City of Litchfield Park, Arizona**

214 West Wigwam Road  
Litchfield Park, Arizona 85340

Dates of Audits: 1991-2009 (CAFR)

Contact Person: Benjamin K. Ronquillo, Finance Director

Phone Number: (623) 935-4364

Email Address: [bronquillo@litchfield-park.org](mailto:bronquillo@litchfield-park.org)

***Project Size, Complexity, Scope and Duration:***

Audit engagement requires 250 hours of professional staff involvement including 2 weeks of fieldwork with one senior and one staff. Scope includes issuance of similar reporting requirements to the Town.

2. **City of Flagstaff, Arizona**

211 West Aspen Avenue  
Flagstaff, Arizona 886001

Dates of Audits: 1994 – 2008 (CAFR)

Contact Person: Barbara Goodrich, Management Services Director

Phone Number: (928) 913-3201

Email Address: [bgoodrich@ci.flagstaff.az.us](mailto:bgoodrich@ci.flagstaff.az.us)

***Project Size, Complexity, Scope and Duration:***

Audit engagement requires 600 hours of professional staff involvement requiring 3 weeks of fieldwork with one supervisor and two staff. Scope includes performing a single audit and issuance of similar reporting requirements to the Town.

3. **Yavapai County, Arizona**  
1015 Fair Street  
Prescott, Arizona 86301

Dates of Audits: 2004 – 2009 (CAFR)  
Contact Person: John Zander, Finance Director  
Phone number: (928) 771-3238  
Email Address: [john.zander@co.yavapai.az.us](mailto:john.zander@co.yavapai.az.us)

***Project Size, Complexity, Scope and Duration:***

Engagement requires 800 hours of professional staff involvement requiring 3 full weeks of fieldwork with one manager and two staff. Scope includes issuance of similar reporting requirements of the Town except there is no need to issue the MAS court report. County prepares their own CAFR and has outstanding debt and federal assistance.

4. **The Hopi Tribe**  
P. O. Box 123  
Kykotsmovi, Arizona 86399

Dates of Audits: 1992 - 2000; 2004 - 2007  
Contact Person: Joseph Begay, Finance Director  
Phone Number: (928) 734-3302  
Email Address: [jbegay@hopi.nsn.us](mailto:jbegay@hopi.nsn.us)

***Project Size, Complexity, Scope and Duration:***

Engagement requires 1,200 hours of professional staff involvement requiring 3 full weeks of fieldwork with one partner and three staff. Scope includes a single audit and issuance of similar reporting requirements of the Town in relation to the audited financial statements.

5. **La Paz County**  
1108 Joshua Avenue  
Parker, Arizona 85344

Dates of Audits: 1996-2001; Accounting Assistance: 2002 - Current  
Contact Person: Ava Alcaida, Finance Director  
Phone Number: (928) 669-6115  
Email Address: [aalcaida@co.la-paz.az.us](mailto:aalcaida@co.la-paz.az.us)

***Project Size, Complexity, Scope and Duration:***

Audit engagement requires 500 hours of professional staff involvement with 2 weeks of fieldwork with one partner and two staff. Scope included performing single audits and issuance of similar reporting requirements of the Town in relation to the audited financial statements. Services now include accounting assistance in preparing audit documentation and drafting the financial statements.

## **Specific Audit Approach**

### **Type and Extent of Analytical Procedures**

We will first perform a preliminary analytical review comparing actual activity with the prior year and to the Town's budget. This approach helps us to focus our efforts on accounts with large variances and other accounts which require detailed testing. We intend to use the Town's internal reports for analysis to the extent possible.

We will make assessments of risk at the financial reporting and relevant assertion level. Also, we will evaluate the risk of fraud and perform specific procedures including inquiry and observation in response to those risks. Utilizing our audit software, we will tailor the audit programs based on our risk assessments. As discussed previously, we will use preliminary analytical procedures as a part of our planning. Our substantive procedures will include analytical procedures to evaluate account balances and transaction amounts in addition to our detailed testing and confirmation of account balances. Our substantive analytical procedures will include comparative analyses with prior year actual and current year budgetary amounts, ratio analyses and financial relationships embodied within the financial reporting.

### **Planning and Gaining an Understanding of the Internal Control Structure**

Upon selection as your auditors, we anticipate holding a planning meeting with you to discuss your expectations, review the list of schedules and documentation to be provided by the Town and to schedule the fieldwork.

During this phase of the audit, we will gain an understanding of the Town's operations, funding source requirements, transaction processing procedures and internal control structure. These objectives will be achieved through inquiry, observation, examination of grant documents, and walk through of transactions. We will also draw upon such resources as the Town budget, organizational charts, manuals and programs, and other management information systems.

As a result of the above procedures, we will tailor our audit programs to fit the reporting and compliance requirements of the Town and its funding sources. We will also prepare a detailed audit plan and a list of all schedules and documentation to be provided by Town staff. This listing will be reviewed with the Town staff to facilitate the organization and timeliness of information to be provided us during the course of the audit.

### **Approach to Determining Applicable Laws and Regulations**

We will inquire and review state and local ordinances and regulations, grant agreements and Federal regulations applicable to the Town. Should a single audit be required, we will test compliance with laws and regulations related to federal programs as required by the *Single Audit Act* and OMB Circular A-133.

## Sample Sizes

We plan to use statistical sampling to test controls over revenues, expenditures and payroll transactions and should the need arise, for tests of compliance on major federal programs. Our sample sizes range from 25 to 60 depending on our assessments of control risk. Our sample selections may be randomly generated or judgmentally selected depending on the criteria and nature of compliance testing being performed.

## Audit Sampling for Tests of Compliance

Should a single audit be required, we will select representative samples of expenditure transactions for testing with the program requirements as outlined by the OMB compliance supplements. We will test for compliance as required under OMB Circular A-133.

## Technical Review and Issuance of Reports

All workpapers and reports will be reviewed by the engagement partner. Also, the concurring partner will review all reports. When the reports are drafted and reviewed, we will confer with you regarding any audit or reporting issues by December 16, 2010. We will issue the reports by December 30, 2010.

## Segmentation and Level of Staff Hours

We will segment our audit procedures and provide staffing according to the expertise required, as follows:

- Planning and risk assessment
- Interim fieldwork including internal controls
- Year-end substantive fieldwork
- Auditor's report and CAFR technical review

The following summarizes our planned segmentation of the audit of the financial statements by staff level:

| <u>Staff Level</u> | <u>Planning and risk assessment</u> | <u>Interim fieldwork and internal controls</u> | <u>Year-end substantive fieldwork</u> | <u>Auditor's report and CAFR review</u> | <u>Total</u> |
|--------------------|-------------------------------------|--|---------------------------------------|---|--------------|
| Partners           | 5                                   | -  | 20                                    | 15                                      | 40           |
| Supervisory Staff  | 12                                  | 18   | 63                                    | 7                                       | 100          |
|                    | 4                                   | 29   | 74                                    | 13                                      | 120          |
| Total              | <u>21</u>                           | <u>47</u>                                      | <u>157</u>                            | <u>35</u>                               | <u>260</u>   |



## **Use of Software**

We intend to use the Town's internal reports for analysis to the extent possible. In addition, we will use portable computers in the field to assist us in the conduct of our work. We will use Excel, Word, PPC Guideware and Smart-e as well as other software programs we deem necessary to help us carry out our audit. Our firm uses CSA software to manage our paperless audit system. All documents received from the Town and outside sources that are not readily convertible into Excel or Word formats are scanned into the Adobe pdf format. All completed audit documentation is maintained in a paperless file cabinet for a minimum of five years. Our information technology manager maintains all hardware and software systems in which data files are backed-up daily and securely maintained off premise. While at the Town's offices, our staff have the capability of accessing records from our office using remote access features. Further, we are capable of using secure transmission features in the movement of electronic records between staff and the Town.

## **Extent of Use of Town's Personnel**

We will require assistance from the Town's personnel in providing us with timely access to accounting and contract records for the purpose of performing our substantive and compliance procedures. Town personnel will need to be available to answer our inquiries in relation to gathering an understanding of the Town and to the extent we need further clarification of or documentation to support account balances or transactions types. Such procedures are typical and necessary as a part of the financial audit. We do not anticipate requiring a significant or an unusual amount time from Town personnel to accomplish our audit procedures.

## **Fees**

We estimate our fees to be \$27,000 including out-of-pocket costs (e.g. travel, postage, copying, etc.) for the year ended June 30, 2010. Our maximum percentage increase for the subsequent two years will be no more than 5% of the preceding year's fees assuming there is no need for a single audit. The typical amount of hours for a single audit program can range between 12 and 16 hours plus 2 to 4 hours to draft the required reports at an average billing rate of approximately \$100 per hour.

Our billings for the services set forth in this letter are based upon our rates for this type of work and will be rendered periodically as services are provided and are payable upon receipt. Our fee estimate assumes the accounting records are in excellent condition, all adjustments have been posted and that audit documentation received from you is complete and accurate. Our fee quote does not include the performance of a single audit under OMB Circular A-133.

We are committed to performing our audit and issuing the financial statements in a timely manner consistent with your expectation assuming that the Town is able to provide us with the information necessary to complete the audit in a timely manner. Extensions or changes in the scope of the work that may be requested by you, or brought about by circumstances that may arise during the course of the engagement will be discussed with you, and a change in the specific fee mutually agreed upon before proceeding with the additional work.

## Summary

Fees for audit engagements are sometimes difficult to estimate because they are dependent upon the number of hours required which can vary for many reasons. Accordingly, in the event our estimate is out-of-line with comparable proposals or with your expectations, we would be pleased to discuss it further with you.

We welcome the opportunity to provide auditing services for Town of Camp Verde. It is our objective that the services are provided by imaginative, positive professionals who will use their abilities to facilitate the efficient conduct of the audit services and to provide the highest quality service. We are committed to performing governmental audit engagements and have made a commitment of personnel and resources to accomplish this objective.

We appreciate the opportunity to propose these services and look forward to hearing from you. Please call us if you have any questions regarding this proposal.

Very truly yours,



Steven L. Tait

SLT/ers

**APPENDICES**

# HEIDENREICH & HEIDENREICH

## CERTIFIED PUBLIC ACCOUNTANTS

12020 S. Warner-Elliott Loop #121  
Phoenix, AZ 85044-2700  
(480)704-6301 fax 785-4619

15545 Bear Valley Rd. #B  
Hesperia, CA 92345  
(760) 948-2899 fax 948-7712

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October 11, 2007

To the Owners  
Walker & Armstrong, LLP

We have reviewed the system of quality control for the accounting and auditing practice of Walker & Armstrong, LLP (the firm) in effect for the year ended May 31, 2007. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under Government Auditing Standards. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Walker & Armstrong, LLP in effect for the year ended May 31, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

*Heidenreich & Heidenreich*

Heidenreich & Heidenreich  
Certified Public Accountants

**STEVEN L. TAIT, CPA**

***Professional Practice***

- Title:** Managing partner and partner in charge of audit and accounting services.
- Experience:** Commenced public accounting career in 1976; two years with a national accounting firm; joined Walker & Armstrong LLP in 1984.
- Duties:** Directing the firm's audit and accounting operations, including review of accounting and audit engagements, scheduling staff assignments, and monitoring completion of each engagement.

***Experience***

Mr. Tait has served as an audit partner on auditing and accounting engagements of the firm for the past twenty-four years. He has extensive audit and accounting experience with a wide variety of organizations including counties, municipalities, Indian communities, housing authorities, manufacturers, distributors, construction, financial institutions, health care organizations, retail operations, leasing companies, land development and various other industries.

***Education***

- College Degree:** Bachelor of Science degree in Accounting from Arizona State University.
- Continuing Professional Education:** Mr. Tait has been actively involved in continuing professional education programs throughout his career.

***Professional and Civic Affiliations***

Arizona CPA in 1978; Utah CPA in 1979  
American Institute of Certified Public Accountants  
Arizona Society of Certified Public Accountants  
Phoenix Chamber of Commerce  
Volunteer Leader, Boy Scouts of America (1985 – 2006)  
Treasurer and member of Board of Directors of Arizona Clean & Beautiful, Inc. (1994 - 1996)  
Member of Audit and Accounting Standards Committee of the Arizona State Board of Accountancy (1999 – Present)  
Treasurer and board member, Arizona Bridge to Independent Living (2005 – Present)

**RANDALL L. OTTAWAY, CPA**

***Professional Practice***

Title: Senior Audit Partner

Years of Experience: Joined Walker & Armstrong LLP in 1984.

Duties: Duties include planning and coordination of audit fieldwork, client communication to ensure efficient conduct of the audit, direct supervision of staff accountants in the field, and technical and financial assurance.

***Experience***

Mr. Ottaway has extensive experience with a wide variety of for-profit, nonprofit and governmental organizations, including manufacturers, distributors, marketing, lodging, retail trade, communications, amusement and recreation, cattle breeding, trade associations, health and welfare, Indian tribes, housing authorities, special assessment districts, municipalities, court systems and counties.

Other Experience: Review and evaluation of computerized and manual accounting systems, including development of constructive recommendations to clients. Extensive experience with micro and personal computer software applications. Extensive experience supervising and auditing federal and state program compliance requirements.

***Education***

College Degree: Graduated with high honors from Arizona State University with a Bachelor of Science degree in Business Administration with a major in Accounting.

Continuing Professional Education: Mr. Ottaway's continuing professional education includes courses in performing single audits for state and local governments and guidance on auditing corporations and nonprofit organizations. He has met the continuing professional education requirements of *Government Auditing Standards*.

***Professional and Civic Affiliations***

Certified Public Accountant in Arizona in April 1990  
American Institute of Certified Public Accountants  
Arizona Society of Certified Public Accountants  
Special Review Committee, Government Finance Officers Association  
Phoenix 100 Rotary Club  
Golden Key National Honor Society

**JAY Z. PARKE, CPA**

***Professional Practice***

Title: Audit Partner

Years of Experience: Over eleven years in public accounting, nine with Walker & Armstrong.

Duties: Planning and performance of audit fieldwork, including direct supervision of staff accountants for corporate, governmental and nonprofit entities; technical and financial assurance.

***Experience***

Auditing, accounting and consulting services provided to governmental, nonprofit organizations and privately-held companies including counties, municipalities, Native American communities, construction, health care organizations, housing authorities, professional trade associations and employee benefit plans.

***Education***

College Degree: Central Washington University - Bachelor of Science Degree in Accounting

Continuing Professional Education: Mr. Parke's continuing professional education includes courses in performing single audits for state and local governments and guidance on auditing corporations and nonprofit organizations. He has met the continuing professional education requirements of *Government Auditing Standards*.

***Professional and Community Affiliations***

Certified Public Accountant in Arizona, June 2001  
American Institute of Certified Public Accountants  
Arizona Society of Certified Public Accountants  
Arts for All, Inc. dba Third Street Kids (Tucson AZ) – Advisory Board member

***Activities and Honors***

Actively involved in emerging technical issues and assisting for-profit, nonprofit and governmental entities with the implementation of new FASB and GASB pronouncements.  
PwC Subject Matter Expert for the redevelopment of the annual curriculum for planning and performing A-133 audits  
Honored by the state of Arizona for scores on the May 1998 CPA exam

**TIMOTHY A. HOPKINS, CPA**

***Professional Practice***

Title: Audit Supervisor

Years of Experience: In public practice with Walker & Armstrong LLP since 2005.

Duties: Planning and performance of fieldwork including direct supervision of audit team members for nonprofit, governmental and corporate entities.

***Experience***

Audit and accounting services provided to a variety of small to medium-size companies in industries such as retail, construction, and insurance as well as nonprofit organizations and governmental entities including professional trade organizations, health and welfare, counties, municipalities, Indian tribes, housing authorities, private colleges, and charter schools.

Other Experience: Extensive experience with personal computer software applications and experience auditing federal and state program compliance requirements.

***Education***

College Degree: Graduated from Northern Arizona University, Flagstaff, Arizona with a Bachelor's Degree in Business Administration and received a Master's Degree in Accounting at Oakland University, in Rochester, Michigan.

Continuing Professional Education: Mr. Hopkins's continuing professional education includes courses in performing single audits and guidance on auditing nonprofit organizations and various auditing and tax matters. He has met the continuing professional education requirements of *Government Auditing Standards*.

***Professional Affiliations***

Certified Public Accountant in Arizona, 2005  
Arizona Society of Certified Public Accountants  
American Institute of Certified Public Accountants