

## **Board Action Request**

**SUBJECT:** Enter into agreement with Walker & Armstrong for audit services

**DATE:** August 30, 2023

**FROM:** Ben Guerrero, Fire Chief

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**Background:** Beach Fleischman was the districts audit service firm for the last five (5) years, as per best practices and incremental increases year over year, board recommended that we seek alternate proposals. Tubac Fire District received two proposals, from Beach Fleischman and Walker & Armstrong. Both firms are reputable and experienced in providing their services to fire districts across the state.

**Fiscal Impact:** \$14,500

**Alternate Option:** NONE

**Staff Recommendation:** Staff recommends that we enter into an agreement with Walker & Armstrong based on cost and experience.

**Proposed Motion:** Move to approve Walker & Armstrong's proposal for audit services as presented.

**Attachments:** Beach Fleischman and Walker & Armstrong proposals.



## PROPOSAL FOR AUDIT SERVICES

# Tubac Fire District

August 17, 2023



August 17, 2023

Mr. Ben Guerrero, Fire Chief  
Mr. Gabe Buldra, Finance Director  
Tubac Fire District  
P.O. Box 2881  
2227 East Frontage Road  
Tubac, Arizona 85646

Dear Chief Guerrero and Mr. Buldra:

Thank you for inviting Walker & Armstrong (W&A) to submit our proposal to provide professional audit services to Tubac Fire District and for allowing us to demonstrate our commitment to forging a collegial relationship with you.

Walker & Armstrong is licensed in the state of Arizona and authorized by the Arizona State Board of Accountancy to conduct audits.

We understand that Tubac Fire District is a dynamic organization providing critical fire suppression and prevention, emergency medical services, and public education to your citizens in the Tubac, Tumacacori, Amado and Rio Rico area that is looking to build a collaborative relationship with a communicative firm who has extensive fire district audit and advisory expertise and a proven history of bringing a consistent, responsive team that provides quality services, value-added ideas, and an innovative service approach at a fair price. Walker & Armstrong is such a firm.

The Walker & Armstrong difference is evident to the hundreds of organizational leaders and business owners with whom we have served as partners and delivered uncompromising client service. We operate on the simple premise to help our clients enhance their success and achieve their goals.

We are confident that Walker & Armstrong will meet the needs of the Tubac Fire District and that we will exceed your expectations. We do not simply help you comply; we help you succeed.

Our value proposition is based on the following:

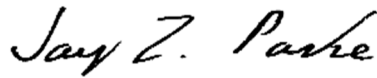
- We are easy to work with.
- We honor our commitments.
- We add value to your organization.
- We keep your best interests in mind.
- We help you fulfill your mission.

We will elaborate further on the ways we can add value and partner with Tubac Fire District in the following proposal. We are excited about the opportunity to work with Tubac Fire District, and we look forward to discussing such a possibility in further detail with you.

We are proud of our five-decade tradition of enhancing the success of Arizona governmental entities (with an emphasis on fire districts), the quality services we provide, and the long-lasting relationships we have built. We are confident that Walker & Armstrong should be your strategic audit service provider. During 2022, we were ranked #2 in the Best of Arizona Businesses' *Ranking Arizona* for firms with 5-28 CPAs.

Walker & Armstrong agrees to be bound by the statements made in this proposal. Should you have any questions or would like to discuss any aspect of this proposal in further detail, we welcome you to contact me at (520) 229-8674.

Very truly yours,

A handwritten signature in black ink that reads "Jay Z. Parke". The signature is written in a cursive, flowing style.

Jay Z. Parke, CPA  
jparke@wa-cpas.com

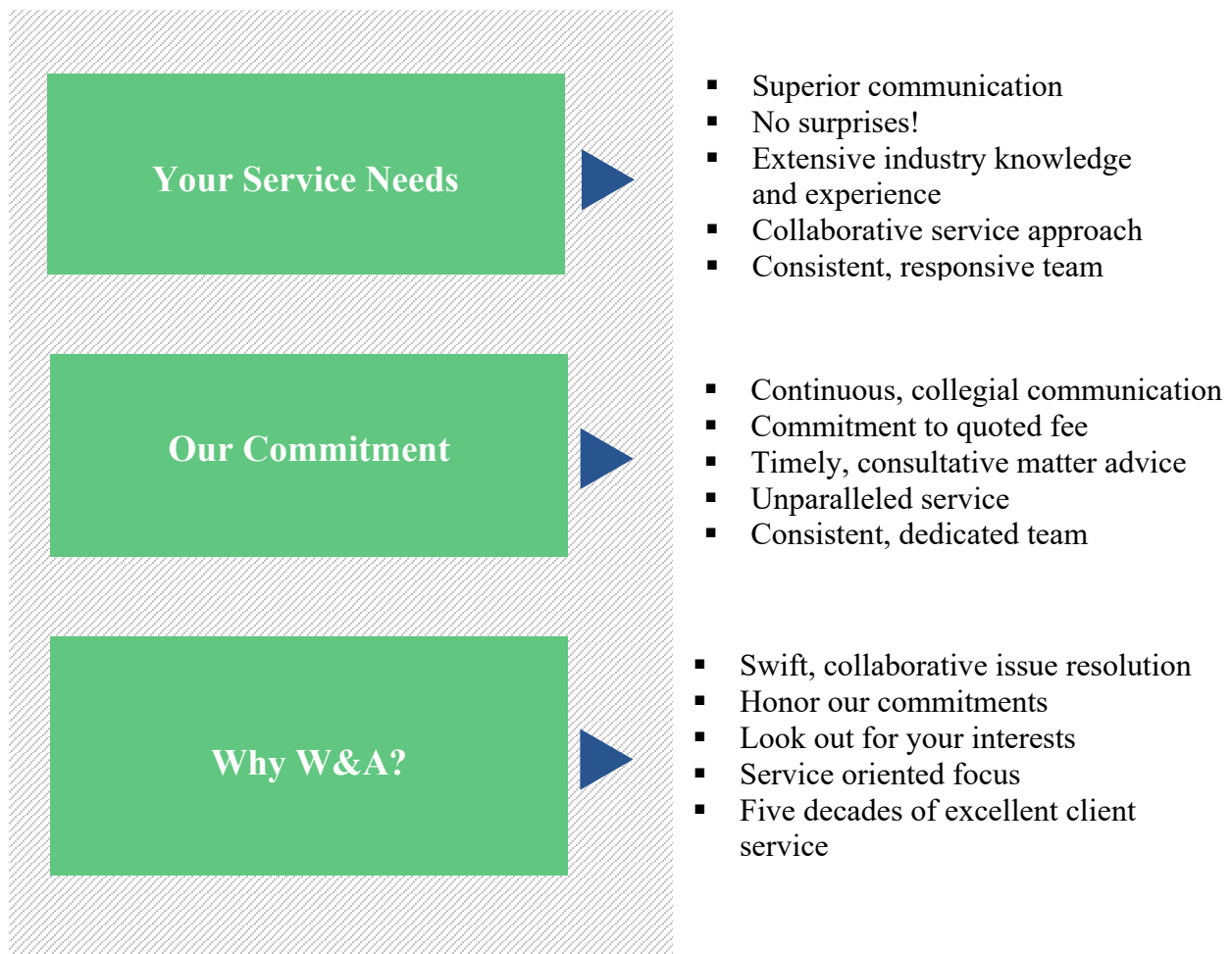
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## Our Service Objectives

We understand that Tubac Fire District (the District) has the mission to provide critical fire suppression and prevention, emergency medical services, and public education to your citizens with compassion and innovation. We recognize the importance of partnering with the District not simply to help you comply with reporting and regulatory requirements, but to also collaborate and help you fulfill your mission. Outlined below is what we strive to achieve to provide you with superior client service. In addition to providing practical recommendations for improvements in internal controls and a timely and efficient service process, the following is our commitment to you and why we believe W&A is the propitious choice:



# About W&A

## Our Firm

W&A is a full service Certified Public Accounting (CPA) firm in the state of Arizona founded in 1971 by Archie Walker and Norm Armstrong. During our over fifty-year history of providing services to Arizona communities, we are guided by our core values of **integrity**, **accountability**, **positive attitude**, and **respect**. W&A strives to maintain a culture of professional collegiality in our work environment and client relationships by providing mutual respect for all, while recognizing the diversity among us. Our firm professionals are team players and understand that communication with clients is a key factor to our reputation for quality, excellence and collaboration, and our success in the Arizona market. The importance of delivering uncompromising client service is fundamental to our core values, and the importance of exceeding client expectations is instilled at all levels of our firm. We understand a CPA firm is best known for the quality of its service. Our firm reputation reflects the high standards we demand of ourselves. **We do not accept anything else from ourselves and this is what we deliver to you.** Our primary goal as a trusted advisor is to be available to provide insightful advice to enable you to make informed decisions.

W&A has served hundreds of clients throughout Arizona and currently maintains key offices in Tucson and Phoenix. We have been specializing in providing quality service through the active, collaborative involvement of experienced and committed professionals to governmental and nonprofit organizations for over five-decades including fire districts for the past two decades. The partners alone have 90 plus collective years of experience serving governmental organizations. All audit team members have accounting degrees, and all key team members are Certified Public Accountants. As serving the fire district sector is a mission-specific focus of W&A, all our professionals have extensive experience and technical knowledge in providing audit services to governmental entities including fire districts, are engaged in emerging and ongoing issues relevant to governmental entities and receive ongoing training on topics relative to governmental entities. Several members of our team have written newsletter articles and lectured on governmental issues.

## Services

The firm’s essential professional services encompass:

Professional Services	
▪ Audits	▪ Forensic accounting and financial
▪ Reviews and compilations	▪ Information technology security
▪ Pre-audit services	▪ Agreed-upon procedures
▪ Accounting and advisory	▪ Tax planning and return preparation

The services provided by W&A are rendered by over thirty-five dedicated team members. We are large enough to provide the specialized audit services required by the District while also being small enough to be responsive to your needs and provide personalized service. Firm partners associated with the audit take a hands-on approach to the services provided by being involved in the planning, staffing, supervision, quality, communication, and delivery of the work.

Our professionals are current on the accounting and reporting requirements that are unique to fire districts including the extensive disclosure requirements including retirement plans; reporting of general obligation bonds, revenue recognition for property taxes, charges for services, ambulance services and grants; net position/fund balance reporting and the compliance requirements of Arizona Revised Statute §48-253. In addition, we have been auditing and preparing financial statements under the Certificate of Achievement for Excellence in Financial Reporting program for over 30 years and understand the additional reporting requirements outlined by the Government Finance Officers Association.

W&A understands the unique accounting and financial requirements that deserve experienced attention in the fire district sector. Working in close cooperation with our clients, our knowledgeable professionals can help resolve reporting and disclosure issues and help design approaches to yield more productive operations while maintaining the commitment and values the drive such organizations. W&A professionals are knowledgeable beyond consulting on accounting methods, financial reporting, and taxes.

In addition, we are proactive in having discussions with our client concerning the latest trends in information technology security to help our clients to safeguard against threats.

We also add value to many of our governmental clients by advising them on areas such as:

Value Added Advisory Areas	
▪	Board governance
▪	Budgeting
▪	Grants management
▪	Internal controls
▪	Operational efficiencies
▪	Information technology security
▪	Accounting software
▪	Enterprise risk management



## Fire District Industry Experience

Through 20 years of experience in the fire district sector coupled with 35 years of governmental experience, W&A has developed a significant capability and fluency in the general business issues that face the District. Our team of professionals offer the hands-on experience and technical skills necessary to serve your distinctive needs and help you fulfill your mission. We do not simply help you comply; we help you succeed.

Since 1985, governmental entities have been a primary focus of W&A. To this day, we have retained this focus and continue to be a leader in providing professional services and serving the needs of governmental entities, including fire districts. With our in-depth experience, we intuitively understand the specific industry dynamics and have sound relationships within the fire district sector. Regardless of size, our clients all receive the same high quality, professional service designed specifically to match their business and reporting needs by adhering to our service philosophy of **professionalism**, **responsiveness**, and **quality**.

## Quality of Work

We have a reputation for the quality of our work which is based on 35 years of experience in governmental audit, accounting and advisory services, including 20 years of experience in the fire district sector. Our firm is devoted to providing quality services and we have taken extra steps to assure that we meet the highest professional standards of quality. We are an active member of the AICPA's Center for Audit Quality, which is one way we stay abreast of the latest regulatory requirements and standards. We have also undergone peer reviews of our quality controls conducted by independent CPA's. The peer reviews have always included governmental entity engagements. We have received unmodified reports with no comments indicating our compliance with our profession's quality control standards. A copy of our most recent peer review is included in Appendix A: Peer Review.

In addition, we have been a primary subcontractor for the state of Arizona, Office of the Auditor General since 1985.

## Notable Fire District Clients

Presented below is a partial list of fire districts that we currently serve:

Notable Fire District Clients	
▪ Arizona Fire and Medical District (ACFR)*	▪ North County Fire and Medical District*
▪ St. David Fire District	▪ South County Fire and Medical District*
▪ Sonoita-Elgin Fire District	▪ Mayer Fire District
▪ Mohave Valley Fire District	▪ Palominas Fire District
▪ Sunsites-Pearce Fire District	▪ Northern Arizona Fire District
▪ Mescal J-6 Fire District	▪ San Simon Fire District
▪ Puerco Valley Fire District	▪ Bullhead City Fire District
▪ Buckeye Valley Fire District	▪ Martinez Lake Fire District
▪ Arivaca Fire District	▪ Ash Fork Fire District
▪ Loveland Rural Fire Protection District	▪ Goldfield Ranch Fire District
* Fire district includes a merger, consolidation or a joint powers authority.	

We supplement our technical delivery approach by analyzing and advising our clients on the many elements faced by successful fire districts, such as your District. W&A is dedicated to sharing its intellectual capital. Several W&A professionals are recognized as thought leaders within the governmental entity industry. Our professionals believe in the power of industry participation and the importance of staying on top of new issues and regulations. Doing so requires membership in trade associations including the Arizona Fire District Association (AFDA), the American Institute of Certified Public Accountants (AICPA), presenting at industry conferences and seminars, and authoring articles.

Over the years, W&A has fostered and appreciated long-standing professional relationships with a variety of governmental organizations including the following:

Governmental Groups	
▪ Fire districts	▪ Flood control districts
▪ Counties	▪ Water and irrigation districts
▪ Municipalities	▪ Special assessment districts
▪ Native American communities	▪ Housing authorities
▪ Airport authorities	▪ Grant schools

## Your Engagement Team

### Professional Collegiality

Client service and satisfaction are among our prime considerations. One of the most important services we will provide the District is monitoring your needs on a continual and on-going basis. This occurs at all levels within our organization. We believe it is imperative that our clients have several firm resources to utilize rather than just one. We have found this type of communicative teamwork facilitates the identification of issues early and enables us to plan for and resolve issues timely.


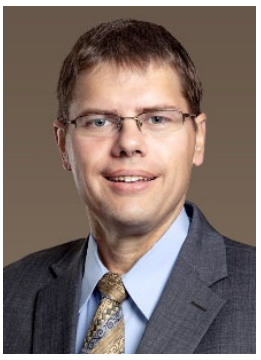

W&A is proud of the reputation we have achieved for providing quality services and responsive professionals. This reputation has been earned through continued commitment to maintaining the highest technical and ethical standards at all levels of our firm, our culture of professional collegiality, our enduring values, our model of client service and technical excellence, and through our ability to retain dedicated, motivated, and talented team members. W&A has a culture and atmosphere that has allowed us to experience nominal turnover at the manager and partner level which provides our clients with consistency in experienced team members. Our turnover at the associate level is better than the industry standard.

A key component of the employee process stems from our strong client service approach, which is characterized by partner involvement in client and team relationships. This exposes team members to a flexible, involved, participatory engagement style that distinguishes W&A from other firms that may rely on more of an assembly line approach to client service. The importance of this collegial service approach cannot be overstated.

We pay close attention to establishing an engagement team that has the requisite experience and expertise to provide superior service, a team that will work well with the District management, and has the enthusiasm and commitment to demonstrate the District is a valued client. Your **core service team**, identified below, has experience working together and has a chemistry and communication protocol that works well.

Core Service Team	
Name	Title
Jay Parke	Managing Partner
Curtis Bright	Audit and Assurance Partner
Lisa Parke	Audit and Assurance Partner

## Roles and Biographies

Contact Information	Engagement Role	Biography
 <p><b>Jay Parke, CPA, CGFM</b> Managing Partner (602) 319-3412 <a href="mailto:jparke@wa-cpas.com">jparke@wa-cpas.com</a></p>	<p>I have ultimate service delivery responsibility for the District’s audit services. I will invest whatever time is necessary to provide a quality service and to build an open, collaborative partnership with the District. I personally pledge that our team will provide the accessibility, client service, and technical excellence that you deserve.</p>	<p>Jay Parke, a CPA and a CGFM, is an audit partner with over twenty-five years of public accounting experience at national (Big 4) and local firms. Jay is a member of the Arizona Fire District Association. Jay has in-depth experience providing audit, accounting, and consulting services to nonprofit organizations, government entities, and privately-held companies. Jay has published governmental guidance and instructed several continuing professional education courses pertaining to governmental accounting, Yellow Book and Single Audit.</p>
 <p><b>Curtis Bright, CPA</b> Audit and Advisory Services Partner (602) 230-1040 <a href="mailto:cbright@wa-cpas.com">cbright@wa-cpas.com</a></p>	<p>I will manage the execution of the audit and work collaboratively with you to ensure a smooth process. I will team with you to conduct the audit, proactively identify and address any issues and complete the services without surprises and within established deadlines.</p>	<p>Curtis Bright, a CPA, is an audit and assurance partner with over fourteen years of public accounting experience serving governmental and nonprofit entities including fire districts, and two years of industry accounting experience. He routinely resolves complex technical accounting and reporting matters. Curtis also has experience preparing indirect cost rate proposals and plans, and experience with several computer software applications. He has a proven track record for excellent client service and the timely delivery of quality engagements.</p>
 <p><b>Lisa S. Parke, CPA</b> Audit and Advisory Services Partner (520) 229-8674 <a href="mailto:lparke@wa-cpas.com">lparke@wa-cpas.com</a></p>	<p>I am a technical resource to the audit team and will perform a technical review on significant areas, as needed, to ensure the engagement complies with our stringent quality control standards and other compliance requirements.</p>	<p>Lisa S. Parke is a CPA and an audit and assurance partner with over ten years of public accounting experience and two years of experience managing the accounting for a large closely-held private company in Tucson with construction and multi-entity reporting. Lisa has significant experience with governmental and nonprofit organizations including fire districts.</p>

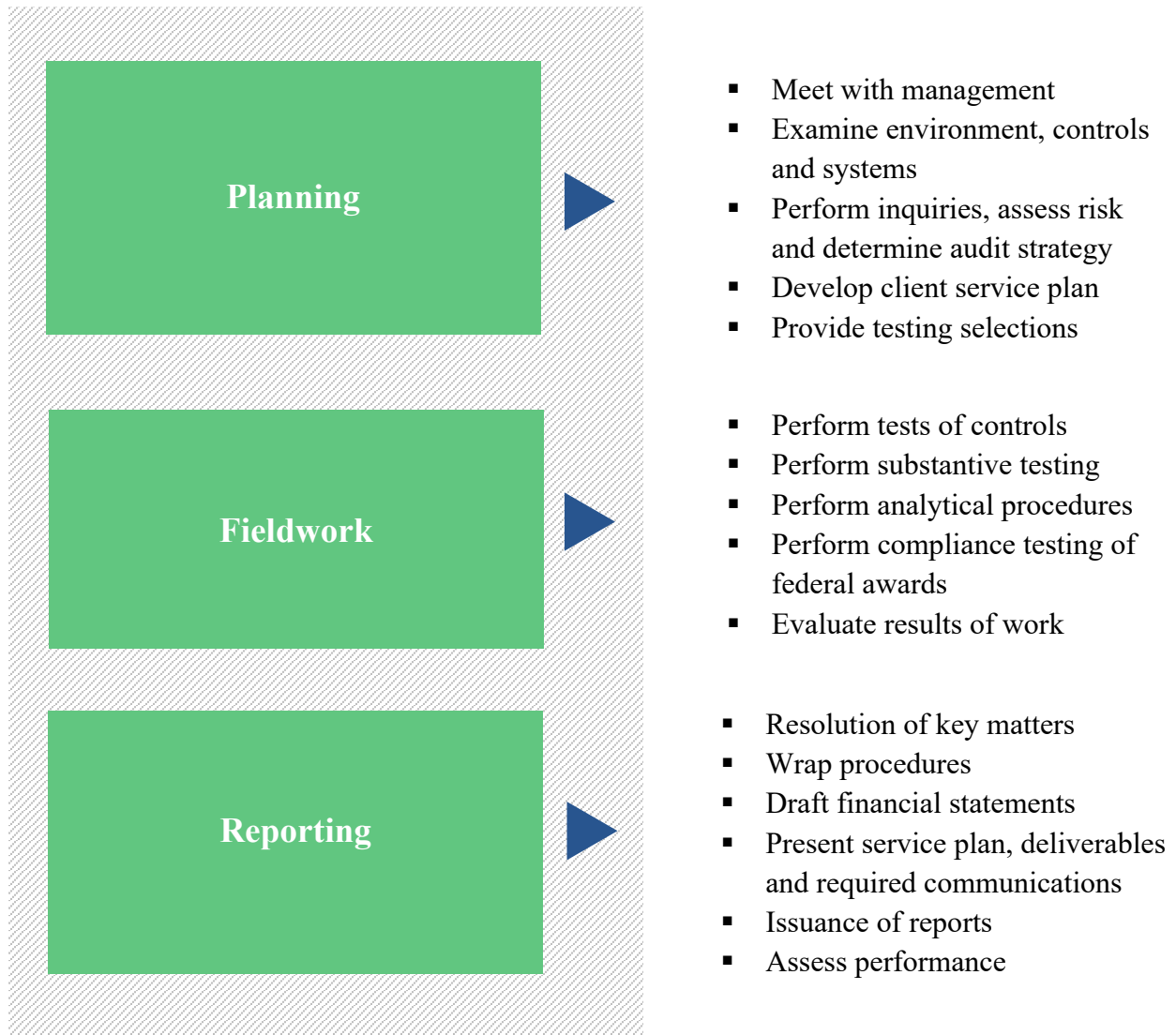
Each partner noted above also has a professional affiliation with the AICPA and the Arizona Society of CPA's. To the extent possible, we try to maintain continuity of team members assigned to the engagement in recognition of the benefit to both organizations. **We are committed** to providing team consistency; however, should there be a need for a change in key personnel, we will discuss our plan and basis for personnel changes with you.

## **Our Audit Approach**

### **Overview**

Your relationship with W&A means far more than mere compliance with complicated reporting and regulatory requirements. We carefully tailor our services to your mission, objectives, service needs and constituents, and everything we do for you is shaped by our “big picture” understanding of what you are striving to achieve to fulfill your mission.

The following is an overview and flow of our approach to the audit. In accordance with professional standards, we follow a risk-based approach to the audit, which requires us to devote our resources to the more critical areas of the District. This allows for greater audit efficiency and effectiveness. Ongoing, open communication and sharing of intellectual capital with management and the audit committee is performed throughout the year to ensure there are no surprises.



## Planning

Upon selection as auditors, we anticipate holding a planning meeting with you in order to discuss expectations and schedule the fieldwork. We also will meet with your audit committee to discuss timing and critical issues.

We will gain an understanding of your business operations, funding source requirements, transaction processing procedures and internal control structure. These objectives will be achieved through inquiry, observation, examination of documents, and walk-throughs of transactions. We will also draw upon such resources as the 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 your reporting requirements. We will also prepare a detailed audit plan and a list of all schedules and documentation to be provided by your team. This listing will be reviewed with your team to facilitate the organization and timeliness of support to be provided during fieldwork.

For purposes of this proposal, we have identified a risk-based audit approach and identified the accounts below to be primary emphasis/focus areas for the audit. We expect at a minimum to request reconciliations, listings and/or support, where applicable, as follows:

Audit Area Focus and Requested Documents	
<ul style="list-style-type: none"> <li>▪ Trial balance in an electronic format</li> </ul>	<ul style="list-style-type: none"> <li>▪ Compensated absences payable for accumulated vacation and sick leave</li> </ul>
<ul style="list-style-type: none"> <li>▪ Bank reconciliations for all bank accounts including copies of year-end bank statements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bonds payable, if any</li> </ul>
<ul style="list-style-type: none"> <li>▪ Accounts and tax receivables and related subsequent receipts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Property tax revenue</li> </ul>
<ul style="list-style-type: none"> <li>▪ Prepaid items</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fire district assistance revenue</li> </ul>
<ul style="list-style-type: none"> <li>▪ Property and equipment and depreciation support</li> </ul>	<ul style="list-style-type: none"> <li>▪ Charges for service revenue</li> </ul>
<ul style="list-style-type: none"> <li>▪ Accounts payable and accrued expenses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Expenditure classification and reporting</li> </ul>
<ul style="list-style-type: none"> <li>▪ Wages and payroll taxes payable and related subsequent disbursements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Program services, salaries and employee benefits records</li> </ul>
<ul style="list-style-type: none"> <li>▪ Year-end payroll cut-off payable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fund balance classifications</li> </ul>
<ul style="list-style-type: none"> <li>▪ Pension liability and deferred outflows/inflows</li> </ul>	<ul style="list-style-type: none"> <li>▪ Access to minutes of the board of directors</li> </ul>

We plan to use sampling methods to test controls over cash receipts, expenditures and payroll transactions. Sample sizes will be determined based on our assessments of inherent and control risk and will be made both randomly and judgmentally, as deemed necessary.

## **Fieldwork**

We will perform analytical analysis by comparing actual activity with the prior year and the operating budget. This approach helps us to focus our efforts on significant matters and accounts that require detailed testing. We intend to use internal reports for analysis to the extent possible. In addition, we will use technology resources as deemed necessary to facilitate the efficient conduct of the audits.

Our focus on the significant issues at this stage of the audit will facilitate efficient completion of substantive procedures. Those procedures will include inquiry of personnel, confirmation of account balances and transaction amounts, and examination of representative samples of supporting documentation to test the financial statement assertions. We will examine reports and schedules prepared by you for mathematical accuracy including tracing amounts to source documents.

Also, we will prepare the necessary modified accrual basis adjustments for the proper reporting of the District's financial statements.

## **Reporting**

When the reports are drafted and reviewed, we will hold an exit conference with management to review the annual financial report and discuss internal control recommendations. Reports on internal control and advisory comments receive substantial attention by us to include practical recommendations for improvements which are intended to assist you in realistic implementation. We view the exit conference as a dynamic function of the audit to communicate audit results, issues and responses.

## **Communication**

We have found that frequent, open communication results in increased efficiency. Accordingly, we will hold periodic progress meetings to discuss the status of the work. We will be responsive to you in returning telephone calls and emails. We will also be available to report on the audit to the District's board of directors.



## Engagement Efficiency and Effectiveness

Our firm employs highly qualified team members that are provided an opportunity to serve clients in a variety of industries within a positive work environment with opportunities for career advancement using current technology and software.

Our team members are trained to work in a paperless work environment where documents are accessed or transmitted remotely and maintained electronically. Accordingly, our firm uses electronic filing systems and a multitude of software to conduct our professional services efficiently and effectively.

## Independence

We meet the independence standards under the AICPA Code of Professional Ethics and *Government Auditing Standards* with respect to Tubac Fire District. *Government Auditing Standards* require that we comply with independence standards.

## Technical Knowledge and Experience

We have the technical knowledge and experience to provide the services requested by you in accordance with professional standards. The partners collectively possess over 90 years of combined experience in providing audit, accounting and advisory services to governmental entities. We are dedicated to the continuing education of our team members to stay abreast of the ongoing changes to audit and accounting standards.

Our documentation is maintained in a fully paperless environment which allows for a more efficient and timely work product. We also have unlimited access to accounting, auditing and consulting research information through proprietary research software (PwC Viewpoint®). We are also current on the implementation of new accounting and auditing standards.

## Professional Resources

Our firm has the professional resources to provide the audit services you require. Because we specialize in providing audit and advisory services to fire districts, we are familiar with the unique reporting requirements of the District. The firm subscribes to various *internet-based research services* in order to perform any necessary research of reporting or accounting issues related to the District. All our team members are knowledgeable about these research services to provide the type of effective and timely response that our clients want and deserve. Should there be a need for additional technical resources outside of those available internally, we have access to the resources of the AICPA's Center for Audit Quality and the technical support services of the AICPA.

As a firm, we emphasize the use of technology and will employ extensive use of electronic spreadsheets for statistical sampling methods, preparation of financial data and specialized audit software to prepare lead schedules, perform our risk assessments and prepare audit programs and checklists.

## **Transition**

The transition in auditors will involve the need for the District to provide documentation such as bylaws, operating agreements, policies, procedures and other legal documents that otherwise would not need to be provided to ongoing auditors. In addition, the standards require the auditors to gather an understanding of internal controls over the operations, functions and accounting systems which will require auditor inquiry of your personnel in pursuit of a thorough auditor understanding of the control environment. Also, management will be asked to prepare confirmation requests letters, some of which may not have been issued in the past. Although management will spend additional time for the initial year of transition, we believe that you will benefit from the fresh look and evaluation of controls which is inherent in the transition process.

Transitioning to a new service firm can be viewed as a challenge or a tremendous opportunity. We believe this transition will be a great opportunity for us to work together to reengineer the audit process into a more efficient, effective and collaborative process. We bring a fresh perspective to the process and we are open to your suggestions on how to make this audit process even better. We will gladly invest the upfront time involved in starting a new relationship. We look forward to taking the best of what you have been doing over the years and adding any relevant suggestions we may have to create an even better audit process going forward.

## **Our Fee Proposal**

### **Scope of Services**

We will audit the financial statements of Tubac Fire District for the year ended June 30, 2023, and the four (4) subsequent years thereafter. Our audits will be conducted in accordance with U.S. generally accepted auditing standard and the standards for financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Also, we will issue a letter containing required communications to those in charge of governance and, if applicable, a management letter.

## Fair and Reasonable Fees

We consider it an important responsibility to manage the costs of the services we provide. Rigorous internal procedures have been instituted to organize the scope and the cost of engagements. W&A has invested in many initiatives over the years to acquire technologies and implement risk-based methodologies that enhance the efficiency of our services. Our approach to professional fees for service is simple: **quality service and value for fair fees**.

We understand that cost/benefit is a key consideration for the District in selecting a professional services firm. We will **absorb certain initial year and relationship focused costs**, including:

- Routine and non-complex technical consultations
- Responses to simple requests
- Governing board meeting
- Out-of-pocket engagement related expenses

We do not charge or bill clients for routine, non-complex technical questions or responses to simple requests for information that do not involve substantial time on our part; in fact, we encourage such client inquiries recognizing the value of our client relationship.

**Audit Fee Quote** - We estimate our fees inclusive of our out-of-pocket expenses (i.e. mileage, copies, per diem, etc.) for the audits of Tubac Fire District for the years ending June 30, 2023 through 2027, to be as follows:

Audit Fee Quote	
Year Ending June 30,	Fees Including Expenses
2023	\$ 14,500
2024	15,200
2025	16,000
2026	16,700
2027	17,700

Our yearly fee increases above are based on estimated annual cost of living increases.

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.

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

**Other Services** – Should you have a need for services outside the scope of the audit, such services will be billed at our standard hourly billing rates as follows:

Standard Hourly Rates	
Service	Fees
Partner	\$220 - \$250
Manager	160 – 190
Senior	110 – 120
Associates	95 - 105

## Client Acceptance

Professional standards require us to conduct acceptance procedures. Should you decide to select W&A to be your service provider, our ability to assume this role would be subject to the satisfactory completion of our customary client acceptance procedures.

## Thank You

We welcome the opportunity to provide audit services for Tubac Fire District. It is our objective that the services provided be responsive, imaginative, and conducted by positive professionals who will use their abilities to facilitate the efficient conduct of the audits and to provide you the highest quality service. We are committed to performing fire district engagements and have made a commitment of personnel and resources to accomplish this objective.

Our experience and focus on a collaborative, risk-based audit approach executed through high quality client service with an uncompromising dedication to an appropriate fee structure makes W&A an excellent choice for the District.

- We know your industry and have the experience to exceed your service needs.
- Our client relationships are based on the personal integrity and professionalism of our team.
- Our fire district specialists will serve as a valuable resource to you.
- We have the technical expertise and resources to address all accounting and auditing matters that may affect you.

We thank you for allowing us to present our services and qualifications for serving as your audit service provider. In addition to our professional and industry experience, the following core values embody the standards by which we conduct ourselves and the standards you can expect in all our dealings with you as a client:

- **Respect:** To treat others as we would like to be treated. All members of our firm are treated with courtesy and respect, regardless of title or position.
- **Accountability:** To accomplish what you agree to do. In this firm, members are accountable to themselves and to each other; firm members are to work hard and effectively to provide the very best service to the firm's clients and to support and mentor one another.
- **Positive Attitude:** Embracing a can-do attitude. Firm members embrace a culture that sees challenges as opportunities for professional development and providing solutions to clients' needs.
- **Integrity:** Firm members will abide by an uncompromising adherence to a code of morality, utter sincerity, honesty, candor and avoidance of deception, superficiality or shallowness of any kind.

**The W&A Difference:** **We do not simply help you comply; we help you succeed.**

# Appendix A: Peer Review

## Report on the Firm's System of Quality Control

November 4, 2022

To the Owners of  
Walker & Armstrong, LLP  
and the Peer Review Committee of the CA Society of CPAs

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, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

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

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Walker & Armstrong, LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Walker & Armstrong, LLP has received a peer review rating of *pass*.



Heidenreich & Heidenreich, CPAs, PLLC

## Appendix B: References

These contacts have been selected as references due to their similarity to the District. The District may feel free to contact the individuals noted. Further references and contact information will be furnished upon request.

Fire District Client References and Contact Information
<ul style="list-style-type: none"><li>▪ <b>Arizona Fire and Medical District</b> Chief Burdick 18818 North Spanish Garden Drive Sun City West, Arizona 85375 Phone: 623-215-1059 Years served: 2013 - current</li><li>▪ <b>Mohave Valley Fire District</b> Chief Martin 1451 Willow Drive Mohave Valley, Arizona 86440 Phone: 928-768-9113 Years served: 2018 - current</li><li>▪ <b>Northern Arizona Fire District</b> Chief Hoke 2470 East Butler Avenue Kingman, Arizona 86409 Phone: 928-757-3151 Years served: 2019 - current</li><li>▪ <b>Palominas Fire District</b> Chief Buonaccorsi 10202 S. Hwy 92 Hereford, Arizona 85615 Phone: 520-803-9919 Years served: 2017 - current</li></ul>



# Appendix C: Resumes

## Jay Z. Parke, CPA, CGFM

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### Professional Practice

Title: Audit Partner

Years of Experience: In public accounting since 1998; over twenty-two years with Walker & Armstrong.

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

### Experience

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

### Education

College Degree: Central Washington University - Bachelor of Science Degree in Accounting (3.95 GPA).

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  
AGA Southern Arizona Chapter – Former treasurer and current member  
Arts for All, Inc. dba Third Street Kids (Tucson AZ) – Former treasurer  
Recognized as a 2023 top accounting firm business leader

### 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.

Honored by the state of Arizona for scoring the second highest grades in one sitting on the May 1998 CPA exam.

## Curtis N. Bright, CPA

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### Professional Practice

**Title:** Audit Partner

**Years of Experience:** In public practice with Walker & Armstrong LLP since 2009; over two years of industry accounting experience including cost accounting.

**Duties:** Planning and performance of audit, review and accounting engagements; direct supervision of associate accountants; assist with fieldwork; research accounting and reporting issues; guidance and assistance with financial and single audit reporting including implementation of new accounting standards.

### Experience

Audit and accounting services provided to a variety of nonprofit and governmental organizations and small to medium-size companies including fire districts, grant and charter schools, private colleges, counties, Tribal governments, municipalities, governmental departments, food banks, housing, health and welfare organizations, professional trade associations, golf courses, wholesale and retail distributors, and employee retirement plans.

**Other Experience:** Extensive experience with personal computer software applications and experience auditing federal and state program compliance requirements. Preparation of indirect cost rate proposals and indirect cost rate plans.

### Education

**College Degree:** Graduated in 2008 from Arizona State University with a Bachelor of Science Degree in Accountancy.

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

### Professional Affiliations

Certified Public Accountant in Arizona, May 2016  
American Institute of Certified Public Accountants  
Arizona Society of Certified Public Accountants

## Lisa S. Parke, CPA

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### Professional Practice

- Title: Audit Partner
- Years of Experience: In public accounting with Walker & Armstrong since 2013. Previously held an accounting position for over two years in the corporate office of a large privately held corporation where she managed the accounting for multiple entities.
- Duties: Planning and performance of audit fieldwork, including direct supervision of associate team members for corporate, governmental and nonprofit entities including fire districts and other special assessment districts; technical and financial assurance.

### Experience

Auditing, reviewing, accounting, consulting and tax services provided to governmental entities, nonprofit organizations and privately-held companies.

### Education

- College Degree: Graduated summa cum laude from the University of Arizona in May 2011 with a Bachelor of Science Degree in Accounting.
- Continuing Professional Education: Ms. Parke's continuing professional education includes courses in performing single audits for state and local governments and guidance on auditing corporations and nonprofit organizations. She has met the continuing professional education requirements of *Government Auditing Standards*.

### Professional and Community Affiliations

Certified Public Accountant in Arizona, August 2014  
American Institute of Certified Public Accountants (AICPA)  
Arizona Society of Certified Public Accountants – board member  
American Women's Society of Certified Public Accountants  
(part of the AICPA effective November 2017)  
Pima Federal Credit Union (Tucson, Arizona) – Former board member and Pension Committee member

### Activities and Honors

Volunteer Tax Preparer for Volunteer Income Tax Assistance (VITA) with the United Way  
The 2011 Outstanding Academic Achievement in Accounting Award  
Recipient from the Eller College of Management.  
Volunteer for Everyone Runs, Everyone Walks (Tucson, Arizona)

# Tubac Fire District

## Proposal for Professional Auditing Services

Years Ending June 30, 2023 - 2027



August 17, 2023

### Contacts:

**Lydia Hunter, CPA, CGFM**

*Principal*

lhunter@beachfleischman.com

520.321.4600

**Eric B. Maneval, CPA**

*Principal & Nonprofit Practice Leader*

emaneval@beachfleischman.com

520.321.4600



BeachFleischman PLLC • [beachfleischman.com](http://beachfleischman.com)

1985 E. River Rd., Suite 201, Tucson, AZ 85718-7176 • 520.321.4600

2201 E. Camelback Rd., Suite 200, Phoenix, AZ 85016-3431 • 602.265.7011

# **Tubac Fire District**

## **Proposal for Professional Auditing Services**

Years Ended June 30, 2023 - 2027

### **Table of Contents**

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Fees	9
Engagement Timing	10
Eligibility to Practice in Arizona	10
References	10
Attachment Peer Review	



August 17, 2023

Ben Guerrero, Fire Chief  
Gabe Buldra, Finance Director  
Tubac Fire District  
2227 E. Frontage Road  
Tubac, AZ 85646

Dear Ben and Gabe,

Thank you for the opportunity to present this proposal for professional auditing services for the Tubac Fire District (hereinafter referred to as “the District”). We strongly believe we can continue to bring an incredible amount of value to the District.

**We Believe in the Power of Collaboration**

We passionately believe in the power of collaboration and what it can accomplish. When working together toward your success, you’ll find that we:

- Enhance your *ability*
- Make interactions *easy*
- Recognize that success is *personal*
- Impact the *community*

**Key Differentiators and Measures of Our Strength**

Audit Efficiency: We have a depth of experience with Fire Districts, which gives us the ability to be efficient with our audit process. No “on-the-job” training means world-class service at rates that are commensurate with the local market.

Dedicated Government Practice with Fire District Specialization: We serve several Fire Districts and over 300 other governmental and nonprofit organizations throughout Arizona. From assurance to governance and consulting, our governmental practice brings value to clients beyond compliance.

Your organization will always be a very important and valued client to us and will be served accordingly. We thank you for the opportunity to present our proposal. If you should have any questions or desire additional information, please do not hesitate to contact us.

Very truly yours,

BeachFleischman PLLC

Lydia Hunter, CPA, CGFM  
Principal

Eric B. Maneval, CPA  
Principal & Nonprofit Practice Leader

**BeachFleischman PLLC • [beachfleischman.com](http://beachfleischman.com)**

1985 E. River Rd., Suite 201, Tucson, AZ 85718-7176 • 520.321.4600

2201 E. Camelback Rd., Suite 200, Phoenix, AZ 85016-3431 • 602.265.7011

<b>RFP Requirements</b>	<b>Response Page(s)</b>
1. Eligibility - authorization by the State Board of Accountants to conduct audits.	10
2. Experience of your firm in relation to the scope of audits for the District.	3 - 5
3. The firm's most recent peer review report and 3 references from governmental clients.	Attachment, 10
4. Audit firm staff stability history - what assurances can you provide the District regarding the assignment of your permanent personnel to the engagement.	5
5. Your fee proposal to conduct the basic audit function, to prepare the financial statements and supplemental schedules (ACFR included provided as a separate cost), and to prepare the modified accrual adjusting journal entries. Your fee proposal should also include your fee schedule for additional services that may be required beyond the scope of the audit engagement. The proposal should also state that any increase in the audit fee will be immediately disclosed to the District Finance Director. This disclosure should include an estimation of the increased fees and the reason for the increase.	9
6. Detail of expenses expected to be incurred, i.e. mileage, per diem, lodging, etc.	9



# Firm Overview

**Overview:** BeachFleischman PLLC was formed in 1990 and has grown to be the largest independently-owned public accounting firm in Arizona and a Top 200 largest CPA firm in the United States. We provide a wide range of accounting, assurance, tax, and advisory services to over 7,100 private enterprises, nonprofit organizations, governmental entities, and entrepreneurs in the U.S., Mexico, and Canada.

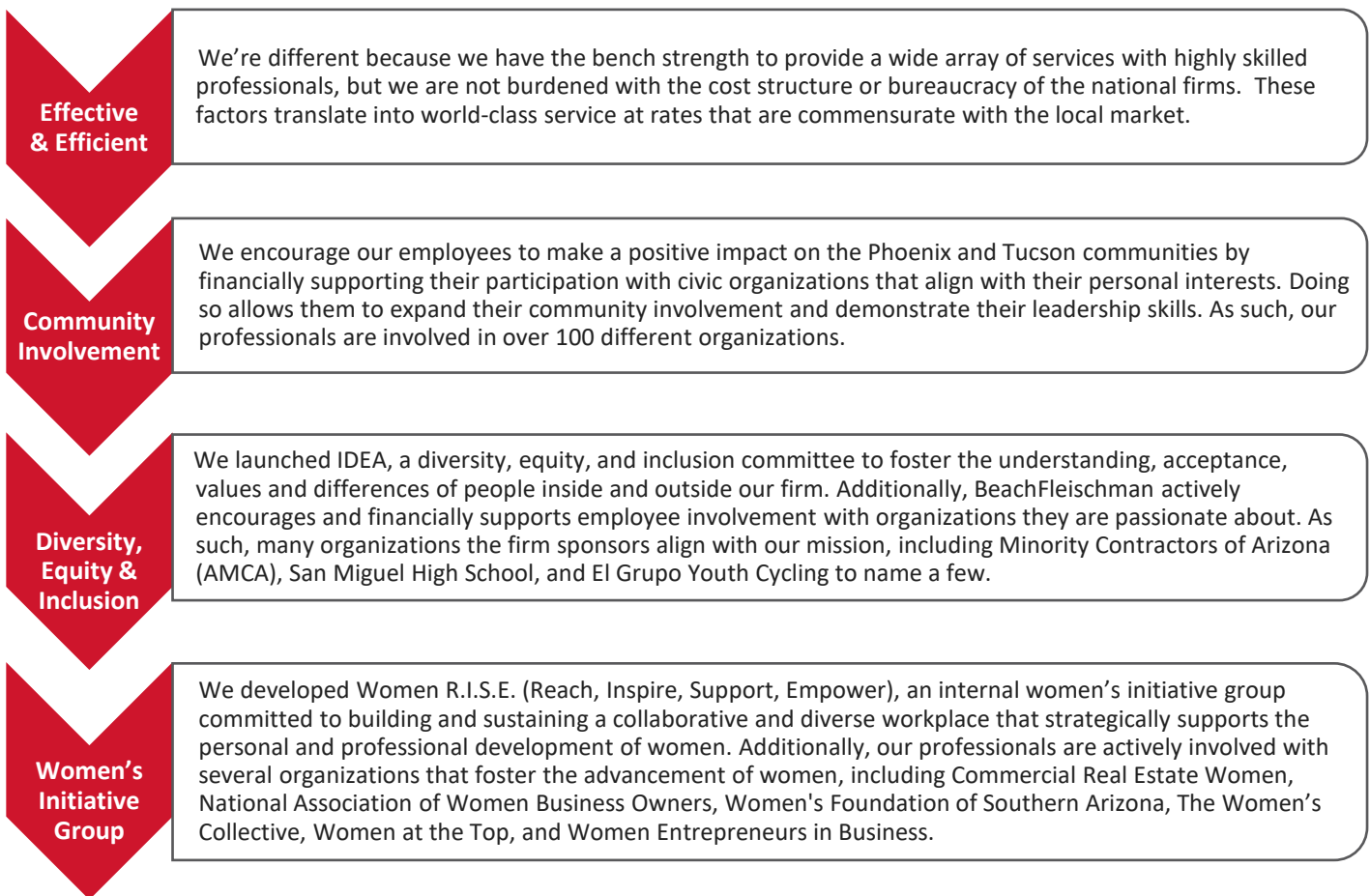
**Purpose:** We passionately believe in the power of collaboration. Working together in pursuit of your success is our purpose and our privilege.

**Quick Facts:**

- 23 Principals, 76 CPAs, over 170 employees
- Women represent 54% of the firm’s principals
- Member of LEA Global, an international accounting association with over 200 firms
- Member of the American Institute of Certified Public Accountants (AICPA) and Arizona Society of Certified Public Accountants (ASCPA)

<b>Accounting &amp; Assurance</b> (30 professionals, 20 CPAs)	<b>Tax Compliance &amp; Consulting</b> (70 professionals, 46 CPAs)
<b>Strategic Operations &amp; Advisory Resources</b> (8 professionals, 5 CPAs)	<b>Administration</b> (29 professionals, 1 CPA)
<b>Contempo HCM, LLC</b> Payroll & Human Capital Management (5 professionals)	<b>Pinnacle Plan Design, LLC</b> Pension Administration & Consulting (37 professionals, 4 CPAs)

## Key Differentiators and Measures of our Strength



## Our Governmental/Nonprofit Qualifications and Experience

BeachFleischman has vast experience providing auditing and tax services to organizations in the governmental and nonprofit sector. Governments and nonprofit organizations represent a significant portion of the firm's clientele, with over 300 clients in this sector being served throughout Arizona, including several Fire Districts. We have four shareholders/senior advisors and four senior managers/managers who specialize in the governmental and nonprofit industry and numerous supervisor and senior level staff with industry experience. We serve counties, special purpose districts and authorities, associations, foundations, healthcare, charities, civic, social service and economic development organizations. Our management and staff have acquired extensive knowledge, skill and expertise in auditing governments.

## Accounting and Assurance Practice

BeachFleischman's Accounting and Assurance team focuses on your financial statement and business needs. Combining technical expertise with business judgment, our team of professionals can apply the complicated technical requirements of the constantly changing accounting, auditing, review and compilation standards to achieve your organizational objectives. We assist you with your financial statement presentation in a manner that maximizes the transparency in financial reporting that users of the financial statements require in a complex regulatory environment. We help you understand and negotiate with these users to meet both your goals and their requirements. We look for ways that your staff can internalize our expertise to bring the highest value for our services. Our professionals will tailor our service approach based on your needs.

## Industry Involvement

To keep our team current with new developments and trends that affect the governmental and nonprofit industry, we regularly attend industry specific conferences, obtain pertinent training and are actively involved in professional organizations including:

- Association of Government Accountants
- Leading Edge Alliance Not-for-Profit Special Interest Group
- Leading Edge Alliance Single Audits Special Interest Group
- American Institute of Certified Public Accountants
- Arizona Society of Certified Public Accountants Government Conference
- Arizona Society of Certified Public Accountants Not-for-Profit Conference

## Recent Community and Industry Recognitions

- 2023 Best of Accounting Client Satisfaction
- 2023 Inclusive Workplace
- 2023 Top 200 Firms
- 2022 Best Firms for Young Accountants
- 2022 Best CPA Firms for Women
- 2022 Best CPA Firms for Equity Leadership
- 2022 Best Firms to Work For (Medium Employer Category)
- 2022 Cornerstone Building Foundation Award
- 2022 Firms to Watch
- 2022 Regional Leaders (Southwest)
- 2019 Best Accounting Firms to Work For



# Engagement Team Qualifications

The effectiveness of our accounting and auditing services is dependent upon our selection of proper personnel for the planning and implementation of the engagement. Our personnel will be selected and supervised by an outstanding management team with the requisite management and accounting experience to cope expeditiously and professionally with any problems that may be encountered during the engagement. The management team that we have assembled has:

- Outstanding ability to apply technical skills in accounting and auditing matters considering business issues and not just the technical subject matter.
- Experience and a proven track record working with Fire Districts.
- Maturity, sensitivity and tact in dealing with business problems and in balancing solutions with the interests of both the company and management.
- Sound judgment and good instincts in matters relating to planning business transactions, evaluating business risks and recommending courses of action.

## **Commitment to staff continuity**

BeachFleischman is committed to ensuring there is continuity in the staffing of your engagement. Each engagement team member listed below is expected to be a continuing member of your engagement team and will have significant knowledge of your organization. Occasionally, we have rotation of our associates due to attrition, although every effort will be made to minimize the impact to your engagement.

### **Lydia Hunter, CPA, CGFM**

#### **Principal**

Lydia will serve as the technical Principal with overall responsibility for your engagement. Lydia will ensure that all resources necessary to serve you are provided on a consistent and timely basis. Lydia is a CPA licensed in Arizona with over 15 years of experience, and she is a Certified Government Financial Manager (CGFM), a professional certification awarded by the Association of Government Accountants.

### **Eric B. Maneval, CPA**

#### **Principal and Nonprofit Practice Leader**

Eric will serve as second partner on our client service team. Eric is a CPA licensed in Arizona with over 19 years of experience in public accounting and leads the firm's Nonprofit practice.

### **Sean Finn**

#### **Accounting and Assurance Senior**

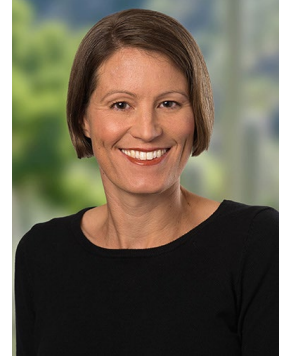
Sean will have the primary responsibility for planning and leading the financial statement audit work including coordinating the efforts of our engagement team. His experience in your industry makes him particularly well-qualified to coordinate the audit services.

# Lydia Hunter, CPA, CGFM

## Principal

[lhunter@beachfleischman.com](mailto:lhunter@beachfleischman.com) | 520.321.4600

Lydia Hunter is a Principal for BeachFleischman and a member of the firm's Accounting & Assurance Department and Nonprofit Segment Team. Lydia provides accounting, assurance, and consulting services for various privately held businesses, nonprofit organizations, and governmental entities. In addition to being a Certified Public Accountant licensed to practice in Arizona, Lydia is also a Certified Government Financial Manager.



### Areas of Specialty

- Accounting and Assurance
- Federal Acquisition Regulations
- Single Audits

### Industry Experience

- Government
- High Tech/Start-ups
- Manufacturing
- Nonprofit
- Real estate
- Special Districts

### Education

- University of Arizona, Bachelor of Science in Business Administration, Accounting
- University of Arizona, Master of Accounting

### Professional Associations and Activities

- American Institute of Certified Public Accountants
- Arizona Society of Certified Public Accountants
- Association of Government Accountants

### Community Associations and Activities

- City of Tucson Independent Audit and Performance Commission, Member
- Community Food Bank of Southern Arizona, Board Member and Treasurer
- Greater Tucson Leadership, Class of 2019

# Eric B. Maneval, CPA

## Principal

[emaneval@beachfleischman.com](mailto:emaneval@beachfleischman.com) | 520.321.4600

Eric Maneval is a Principal for BeachFleischman and a member of the Accounting & Assurance Department. Eric has worked in public accounting since 2004, and he leads the firm's Nonprofit practice. Eric's focus is providing value-added assurance, financial advisory, and consulting services to nonprofit, governmental, healthcare, manufacturing, and start up organizations.



### Areas of Specialty

- Accounting and Assurance
- Employee Benefit Plans
- Single Audits

### Industry Experience

- Government/Special Districts
- Healthcare/Medical Devices
- Manufacturing
- Nonprofit
- Retail
- Technology/Start Ups

### Education

- University of Arizona, Bachelor of Science, Business Administration
- University of Arizona, Master of Accounting

### Professional Associations and Activities

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

### Community Associations and Activities

- Tu Nidito, Treasurer and Vice President
- Southern Arizona Mental Health Corporation, Past Treasurer
- StrengthBuilding Partners Finance Committee, Past Member
- Sunrise Rotary Club of Tucson, Past Member
- Pima Library Foundation Business Development Committee, Past Member

# Scope of Work

- **We will audit the financial statements of the governmental activities and each major fund of the District as of and for the years ending June 30, 2023, 2024, 2025, 2026, and 2027.**
- **We will plan and perform our audits in accordance with auditing standards generally accepted in the United States of America and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.** Our goal is to obtain reasonable assurance that the financial statements are free of material misstatement and prepared in accordance with accounting principles generally accepted in the United States of America. In our audits, we will examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Using professional judgment, we will decide what, how much and when to test, and what the results mean.
- **We will obtain an understanding of the District’s internal control structure as required by auditing standards generally accepted in the United States of America.** We will also provide a report (that does not include an opinion) on internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, as required by *Government Auditing Standards*.
- **Our audit will be in compliance with the requirements set forth in Arizona Revised Statute §48-253. In addition, we will include a paragraph in the report on internal controls regarding compliance with regulatory requirements in connection with the audited financial statements.** The Arizona Revised Statutes section 48-805.02, subsection G requires an auditor to certify the District has complied with certain provisions. We will provide negative assurance about the District’s compliance with the provisions of those statutes based on the procedures performed in the financial statement audit.
- **We will prepare the financial statements and supplementary schedules necessary for the Annual Comprehensive Financial Report.**
- **We will prepare the journal entries necessary to adjust pension and other post-employment benefits to actuary reports in accordance with GASB 68 and 75.**
- **We will prepare lease amortization schedule and adjusting entries to record leases in accordance with GASB 87.**
- **We will prepare the adjusting journal entries to convert to modified accrual, based on information provided by management.**
- **We will communicate with Management and the Governing Board.** Our service team will communicate our status and key issues on a timely basis. Upon completion of our engagement, the reports will be discussed with appropriate management personnel first, then the Governing Board prior to final release. We have a “no surprises” approach when it comes to communicating and interacting with management. This is a continuous process throughout our engagements and throughout the year. Our communication with the Governing Board falls into the following categories:
  1. Preliminary Communication with those charged with Governance - Written communication to the Governing Board
  2. Communication of Internal Control Deficiencies - Written communication with presentation to the Governing Board prior to issuance of Audit Report
  3. Final Communication - Written Communication with presentation to the Governing Board prior to issuance of Audit Report
- **Provide ongoing guidance and attend key meetings.** We will be available throughout the year to provide advice and guidance on financial accounting and reporting issues, and to attend key meetings. This is a service our firm routinely provides to our clients in order for us to understand their operations and assist them during the year. As with all our clients, we are available to discuss issues over the phone.

# Fees

We believe our approach will produce the most efficient and cost-effective service results. Our fees are determined based on the scope of work required, time spent on the services and the billing rates of the individuals assigned. We always look for ways that will increase our efficiency and the amount of time we have to spend to complete the work. Because of the size of our firm, we are also able to assign the appropriate level staff for the work to be done. This enables us to provide you with the best value for the service provided.

Providing a high level of value for the fees you pay is integral to our basic engagement philosophy.

	2023	2024	2025	2026	2027
<b>Financial Statement Audit (includes all services listed in the Scope of Work)</b>	\$ 25,000	\$ 26,000	\$ 27,000	\$ 28,100	\$ 29,200

Our fees include estimated out-of-pocket costs.

## Other Considerations

Our fee quote assumes that your organization does not have significant changes that would affect the scope of our work (increase or decrease) and your personnel will prepare all schedules and analyses requested. We will communicate any changes to our estimated fees for future years prior to beginning work, should events arise that affect the scope of the work or if we experience any unexpected changes in our cost structure. Such events include but are not limited to regulatory changes, higher-than-expected inflation, and changes in accounting and auditing standards. We do not anticipate any such events at this time. Our year-over-year fee increases are based on the current inflation rates that we are experiencing. Since 2020, our rates and fees have increased 5 - 10% annually and are adjusted January 1 of each year. (Prior to 2020, our rates increased by 3 - 5% per year).

Additionally, our fee quote does not include the implementation of any new accounting standards. Should you need assistance implementing a new standard, additional fees may apply.

Our fees will be billed under the following expected timeframe:

Upon acceptance of the engagement letter	25%
Upon commencement of engagement	50%
Upon delivery of draft financial statements	Remaining balance

## Our Approach to Billing for Questions on Technical Matters

We do not bill for responses to client questions that require no significant investment of research time or other costs. We will be available throughout the year to assist your staff. We can make technical resources available to you and invite you to our internal continuing education, as appropriate.

## Additional Services

Should additional services be required outside the scope of the audit, an increase in the audit fee will be immediately communicated to the Finance Director, including an estimate of the increase and the reason for any increase.

If additional services are required, our current billing rates are as follows:

Associates	\$120 - 170
Supervisory Personnel	\$175 - 270
Senior Managers/Shareholders	\$275 - 450

# Engagement Timing

The timing of our work will be in accordance with the time requirements necessary to meet your expectations. Any timeline is a mutual decision between your management and our team and will be tailored to your needs.

# Eligibility to Practice in Arizona

BeachFleischman PLLC and its key professional staff are all properly registered and licensed to practice in Arizona.

# References

Green Valley Fire District  
Chuck Wunder, Fire Chief  
520.625.9400

Timber Mesa Fire and Medical District  
Randy Chevalier, Fire Chief  
928.537.5100

Golder Ranch Fire District  
Dave Christian, CFO  
520.825.9001

Drexel Heights Fire District  
JaNine Seitz, Finance and Administrative Manager  
520.883.4341

Rio Rico Fire District  
Ana Holman, Finance Manager  
520.281.8421





# Heidenreich & Heidenreich, CPAs, PLLC

10201 S. 51<sup>st</sup> Street, Suite #170

Phoenix, AZ 85044

(480)704-6301 fax 785-4619

## Report on the Firm's System of Quality Control

December 5, 2022

To the Owners of  
BEACHFLEISCHMAN PLLC fka BEACHFLEISCHMAN PC  
and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of BEACHFLEISCHMAN PLLC fka BEACHFLEISCHMAN PC (the firm) in effect for the year ended July 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

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

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BEACHFLEISCHMAN PLLC fka BEACHFLEISCHMAN PC in effect for the year ended July 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. BEACHFLEISCHMAN PLLC fka BEACHFLEISCHMAN PC has received a peer review rating of *pass*.

*Heidenreich & Heidenreich CPAs PLLC*

Heidenreich & Heidenreich, CPAs, PLLC