

**PROPOSAL TO PROVIDE
PROFESSIONAL SERVICES TO**



**Arizona Prosecuting Attorney's
Advisory Council**

April 28, 2015



April 28, 2015

Arizona Prosecuting Attorney's Advisory Council
Ms. Diana Cooney, Office Manager
1951 West Camelback Road, #202
Phoenix, Arizona 85015

Dear Ms. Cooney:

Price, Kong, & Co., C.P.A.'s P.A. is pleased to submit this proposal to provide services for Arizona Prosecuting Attorney's Advisory Council. We appreciate this opportunity and are confident that we can provide you with quality service delivered in a timely, efficient and cost effective manner.

The process of selecting a qualified accounting firm involves many criteria and frequently includes intangibles such as chemistry, service commitments and the ability to develop a team-like relationship between the client and the firm. At Price, Kong & Co. service means getting to know our clients, anticipating and responding to their needs promptly, efficiently, and being perceived as a resource rather than a cost of doing business.

We are proud of our reputation of being interactive with our clients and we believe that this approach coupled with our technical expertise and experience will be of value to you. Our goal is to exceed your expectations of our firm.

This proposal details our expertise and highlights the qualities that our firm possesses that positions us to be leaders in our field. If you have any questions or need additional information, please do not hesitate to contact us.

Sincerely,

G. Ross Dietrich, CPA, CIT, CCIFP

G. Ross Dietrich, CPA, CIT, CCIFP
Audit Partner

Price Kong & Co., CPA's, P.A. - Continued

The Price Kong Advantage

We believe that Price Kong & Co. is in the best position to serve you for the following reasons:

- **Our firm size ensures that you will receive the attention you want, and that all of your needs will be accommodated.** Our audit team members are in constant communication with each other so that there is a consistent line of communication.
- **Partner involvement with our clients is how our practice has grown. We are committed to partner involvement on all our engagements.** Our partners meet frequently with our clients to learn about changes in the organization and provide guidance. Ross Dietrich would manage the audit and reporting fieldwork and will visit you during the year as needed. Scott Mitchem is our technical partner and will review the audit to ensure all procedures and disclosures are appropriately accounted for. Ross, Scott and Troy (our audit senior) would act as trusted advisors to you.
- **You will have consistent personnel on your engagement. Our personnel are more experienced than other firms, and this experience benefits you with efficient service and suggestions for improvement.** We do not have any rotation policy for any staff level as we believe continuity is a significant benefit to our clients.
- **We have extensive experience preparing financial statement audits.**
- **Price Kong & Co is a member of the PKF North American Network, a group of 100 firms in the United States and Canada.** This network allows us to draw on the experience of professionals around the nation, and when appropriate, utilize these firms as an extension of our practice.
- **In addition to direct communication with our clients on a regular basis, we keep our clients informed of changes that may affect them** by conducting seminars and by sending newsletters and publications.
- **The depth of our tax and audit groups** has allowed us to perform tax, audit, review and advisory services for clients with revenues ranging from \$1 million to well in excess of \$100 million.

Experience - Continued

Firm's Expertise and Experience - Continued

- Price Kong is ever mindful of the need to apprise a client of any significant findings related to both opportunities as well as concerns that surface during an engagement. Accordingly, the primary contact at Price Kong routinely meets with management to review and advise on these findings.
- Proactive in terms of anticipating and reacting to client needs –Price Kong has significant experience working with a variety of businesses and organizations and in providing management consulting support and advice. This experience makes us a valuable resource to your team.
- Specific statements of experience:
 - **Audit Partner – G. Ross Dietrich, CPA, CIT, CCIFP** has been with Price Kong & Co since 2006 and serves as a partner of the firm. Ross is Price Kong & Co.'s audit specialist with extensive experience in the accounting and auditing fields. Ross has over 15 years of experience auditing the financial statements of for-profit and non-profit organizations, employee benefit plans, and performing single audits as well as assisting with the tax planning and reporting for many of our largest clients.
 - **Audit Technical Partner – Scott A. Mitchem, CPA, CVA, CFE** has been with Price Kong & Co since 1986 and serves as a partner of the firm. With over 25 years in accounting, Scott's prior experience with a "Big Eight" accounting firm gives him a practical knowledge of business strategies. He has served multiple terms as the chairman of the Arizona Society of CPAs Advanced Business Valuation Round Table and has served on the board of the Arizona Chapter of Certified Fraud Examiners. Scott has served several terms as the president of the North Phoenix Lions Club.
 - **Audit Engagement Senior – Troy Griffith, CPA** joined the firm in January 2014 and serves as the audit senior for the firm. His previous experience gives Troy over 6 years of auditing experience and served as the in-charge auditor for over 75 audit engagements for a wide range of clients ranging from \$50,000 in annual revenues to in excess of \$900 million. Troy has extensive knowledge of the auditing standards and internal controls and leads all of the firm's audit engagements.

ENGAGEMENT TEAM RESUMES

Audit Technical Partner



Scott A. Mitchem, CPA, CVA, CFE - Director

Scott received his accounting degree from Northern Arizona University, and has been with the firm since 1986. Scott's prior accounting experience was with a "Big Eight" accounting firm as an auditor of publicly held companies. He is the audit partner and supervises reviews and audits, and also prepares compilations as well as personal and corporate tax returns.

Scott is also an expert in the litigation support area valuing businesses, establishing damages, forecasting income, detecting fraud, reconstructing records and has collected evidence for criminal prosecution. In addition to being a CPA, Mr. Mitchem is a Certified Valuation Analyst. The CVA designation is awarded after the completion of a rigorous training and testing process that requires a complete understanding of the Business Valuation process. Scott has also received the designation as a Certified Fraud Examiner which is awarded by the NACFE after completing training, an examination and professional experience investigating fraud-related matters. Scott also works closely with small business owners to develop and implement structured profit improvement plans.

He has served as treasurer of Trinity Cathedral and Secretary of the North Phoenix Lions Club. He was elected President of the North Phoenix Lions Club in 2005. He has served multiple terms as the chairman of the Arizona Society of CPA's Advanced Business Valuation Round Table and served on the board of the Arizona Chapter of Certified Fraud Examiners. He is a licensed representative selling securities and insurance through 1st Global Capital Corporation. Other interests include personal computers, music, and fishing.

You may reach Scott at his direct phone: 602-776-6313 or by e-mail at scottmitchem@pkcpa.com.

Our Team Commitment to You

1. **Our** clients will be treated with the utmost respect and importance, and with friendly, professional service.
2. **We** will respect and protect your confidentiality.
3. **We** believe that your perception of our performance is reality.
4. **We** will be proactive in identifying solutions toward your success.
5. **We** will acknowledge your communications before the end of the next working day.
6. **We** are committed to constantly improving our skills in order to provide exceptional service.
7. **We** will communicate with you as needed to inform you of changes or concerns that arise.
8. **We** will be upfront regarding our billing policies. You will be billed promptly, fairly and as agreed upon in our engagement letter.
9. **Our** services may not be the least expensive in the industry. However, they will be of the highest quality so you receive outstanding value.
10. **We** welcome your ideas, comments and suggestions. Your feedback is valuable to us.
11. **We** will honor our commitments to you faithfully.

Price, Kong and Company, CPA's, P.A.

Sarvas, Coleman, Edgell & Tobin, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

TERRY B. SARVAS
ROBERT F. COLEMAN
MICHAEL W. EDGELL
DEBI A. TOBIN
EDWARD L. ESPINOZA
CARLIE F. THOMASON
JOSHUA L. KUNDE

5050 NORTH 40TH STREET • SUITE 310
PHOENIX, ARIZONA 85018
TELEPHONE (602) 241-1200 • FACSIMILE (602) 241-0162
WEBSITE: www.scetcpa.com

JEROME A. BRINER
ANNE M. BRADER
CORBIN A. SMITH
VIRGINIA C. TEJADA
BRYNN J. KOLINSKI
JACK J. LAVEY
THOMAS J. MARKI

July 13, 2015

PERSONAL AND CONFIDENTIAL

Ms. Elizabeth Ortiz
Executive Director
Arizona Prosecuting Attorneys' Advisory Council
1951 West Camelback Road
Suite 202
Phoenix, Arizona 85015

Dear Ms. Ortiz:

We are pleased to confirm our understanding of the services we are to provide for the Arizona Prosecuting Attorneys' Advisory Council (the "Council") for the years ended June 30, 2015 and 2014.

We will audit the statements of cash receipts and disbursements of Arizona Prosecuting Attorneys' Advisory Council for the years ended June 30, 2015 and 2014 and the related notes thereto. Also, the supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audits of the statements of cash receipts and disbursements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

Audit Objective

The objective of our audits is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our audits

will be conducted in accordance with auditing standards generally accepted in the United States of America, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audits of the Council's financial statements. Our report will be addressed to the members of the Council. We cannot provide assurance that such an opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of certain balances by correspondence with various third parties.. At the conclusion of our audits, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from a) errors, b) fraudulent financial reporting, c) misappropriation of assets, or d) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

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

Our audits will include obtaining an understanding of the entity 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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audits, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

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

Management Responsibilities

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, in conformity with the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Council involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Council received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Company complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

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

Engagement Administration, Fees, and Other

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

Michael W. Edgell is the engagement partner and is responsible for supervising the engagement and signing the report, or authorizing another individual to sign it. We expect to begin our audits at a time that is convenient to you.

As a result of our prior or future services to you, we might be requested to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests, we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

Our professional fees are based on the amount of time required at the varying levels of responsibility. Our fees for these audits will be \$9,850 plus out-of-pocket expenses (mileage, photocopying, long-distance telephone, etc.). The fee estimate is based on

Ms. Elizabeth Ortiz
July 13, 2015
Page 5

anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Invoices are payable upon presentation.

In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

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

Sincerely,



SARVAS, COLEMAN, EDGELL,
& TOBIN P.C.

Acknowledged:
Arizona Prosecuting Attorney's Advisory Council

Ms. Elizabeth Ortiz
Executive Director

Date



July 31, 2015

Ms. Diana Cooney
Arizona Prosecuting Attorneys' Advisory Council
1951 W. Camelback Rd. #202
Phoenix, AZ 85015

Dear Ms. Cooney,

Thank you for the opportunity to submit a professional audit services proposal for Arizona Prosecuting Attorneys' Advisory Council. We believe Eide Bailly's proactive service approach and open communication style is well matched to your needs.

Exceptional Service

Eide Bailly is a Top 25 CPA Firm in the nation, with 26 offices in 12 states. Our clients benefit from local, personal service, and at the same time appreciate access to more than 1,500 professionals with diverse skill sets and experiences. Our Phoenix office was founded in 1984 and has grown to more than 65 staff members who provide a full array of professional services, including assurance, tax, forensic and valuation, accounting services, and financial advisory services.

Since 1917, we have provided assurance and tax services to clients across all industries. Clients feel peace of mind knowing we adhere to the strict quality control standards of the AICPA; they also value our passion for helping them succeed while working within these guidelines.

In working with clients, our goal is to understand the strategic business issues they face and help them develop solutions to these issues. Not only do we look at today's issues, but also we also proactively address issues that may affect the company in the future. We do this through developing deep relationships with our clients, as well as other professionals that serve these clients and industry.

Timeliness

We will meet your deadlines. Our professionals are trained to anticipate, identify, and respond to your needs in a timely manner. We will work closely with your management team to customize our audit services to your needs. We believe in clear, up-front, and open communication with no surprises. Our clients experience regular contact with partners and senior-level staff, as well as work with a consistent team from year-to-year, with appropriate rotation. Clients tell us they appreciate our timeliness, attention to detail and friendly approach to service. We are here to serve our clients and to make a difference.

Audit Approach

Our staff is passionate about their work and your success. We will customize our approach to meet your needs. Prior to beginning the engagement, we will meet with your management team to discuss:

- The engagement timeline
- The audit approach and process
- Additional considerations that may affect scope, schedules, and work papers to be prepared by your personnel

During the course of our auditing services, we will hold periodic meetings with your management. This continuous interchange of information will keep you fully informed and will provide us with timely information so we can best serve your organization. We will work with your staff to deliver a quality product and limit any disruptions in your day-to-day activities.

Your Service Team

We understand that local, personal service is important to our clients. Rob Leslie will lead the team and serve as Engagement Partner, and Pam Eggert will serve as the Audit Senior Manager. These professionals bring strong credentials and a desire to work with Arizona Prosecuting Attorneys' Advisory Council. If awarded this engagement, these individuals will serve as your primary contacts. We will complement the project team with additional resources as necessary.

References

Eide Bailly is the firm of choice for nearly 44,000 clients. Our clients are truly the best critics of our service. We have selected clients who have similarities to the Arizona Prosecuting Attorneys' Advisory Council as references. We encourage you to contact these references to learn more about their Eide Bailly experiences.

State Bar of Arizona

Kathy Gerhart, CFO
602.340.7392
kathy.gerhart@staff.azbar.org

Arizona Healthcare Association

Linda Doescher, Director of Finance
602.265.5331
ldoescher@azhca.org

Professional Beauty Association

Steve Wilkerson, CFO
480.455.3440
swilkerson@probeauty.org

Value for Fees

We propose the following fees based on our understanding of the scope of work, the level of involvement of your staff:

Arizona Prosecuting Attorneys' Advisory Council	Fees
<i>Audit of financial statements for the two years ended June 30, 2015 and 2014</i>	\$4,500 - \$5,500

You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issues and the experience level of the personnel necessary to address them. In the event you request additional services, Eide Bailly will obtain your agreement on fees before such work would commence. In other words, there will be no hidden fees.

Billing Policy Regarding Telephone Inquiries

We have found that clients appreciate access to all of their service team members. We embrace this need and will ensure all our team members are available to service your questions and issues. This level of service is included in the scope of the engagement. If a particular issue surfaces that falls outside the scope of this engagement, we will bring it to your attention and obtain approval before proceeding on a path of resolution.

We Want To Work With You

We believe Eide Bailly is the best-qualified firm to perform this engagement. We are confident that we have the resources, expertise, and ethics to serve you in a timely and professional manner in order to meet and exceed your expectations. Please contact me at 602.264.8649 or rleslie@eidebailly.com if you would like to discuss any aspect of this proposal.

Sincerely,

Eide Bailly LLP

A handwritten signature in black ink, appearing to read 'Rob Leslie'.

Rob Leslie, CPA, CGMA
Partner



Rob Leslie, CPA, CGMA

Partner

602.264.8649 | rleslie@eidebailly.com

Knowledge and Experience

- More than 29 years of experience providing public accounting and financial services, specialized industry knowledge and financial strategies specifically catered to the nonprofit community.
- Extensive practice in financial management consulting, audits, and income tax services for hundreds of nonprofits across the country.
- Provided significant consulting services in areas such as:
 - Facilitator of strategic planning sessions
 - Governance training and education to boards and volunteer groups
 - Financial management for non-financial managers
 - Internal controls and process redesign
- Trusted advisor to hundreds of nonprofit organizations with annual revenues from \$1 million to over \$100 million.
- Faculty member in the graduate program at Arizona State University Lodestar Center for Philanthropy and Non-Profit Innovation.
- Served on the AICPA's National Non-Profit Committee that was responsible for writing, editing and issuing accounting standards for the nonprofit industry.
- National continuing education instructor for the AICPA in all areas of nonprofit auditing, accounting, reporting, and management.

Professional Memberships

- Arizona Society of Certified Public Accountants, Non-Profit Committee
- American Institute of Certified Public Accountants, Non-Profit Committee
- Non-Profit Management Institute, Advisory Board Member and Faculty Member

Community Involvement

- Board member of:
 - Valley Leadership
 - Catholic Charities
 - Arthritis Foundation
 - Ballet Arizona
 - Alliance for Arizona Non-Profits

Designations & Licensures

- Certified Public Accountant, Arizona

Education

- Bachelor of Science, Accounting – Arizona State University, Tempe



Pam J. Eggert, CPA

Senior Manager

602.264.8629 | peggert@eidebailly.com

Knowledge and Experience

- More than 8 years public accounting experience providing audit services to a variety of clients, including non-profit organizations, government entities, construction and manufacturing companies.
- Works with non-profit organizations, including homeowners' associations, HUD, foundations, community and life care retirement centers and A-133 single audits.
- Serves as manager and key client contact for a variety of engagements, including audits, reviews and compilations performed in accordance with generally accepted auditing standards (GAAS) and SSARS. In charge of the supervision of firm audit teams through the planning, performance, wrap-up and issuance stages.
- Reviews internal controls and assesses the risk of fraud for identified weaknesses and recommends improvements to management and those charged with governance.
- Prepares financial statements and footnote disclosures in accordance with generally accepted accounting principles (GAAP) and other comprehensive basis of accounting including the income tax basis, modified cash and pure cash basis.
- Communicates audit results through reports and presentations to management, audit committees and board of directors.

Professional Memberships

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

Designations & Licensures

- Certified Public Accountant

Education

- Bachelor of Accountancy - University of North Dakota, Grand Forks
- Bachelor of Finance - University of North Dakota, Grand Forks