

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that the City of Tolleson Requests Performance of Annual Audits for Fiscal Years 2011, 2012, 2013, 2014 and 2015.

The City requests the performance of an annual audit and printing of the accounting records for the Fiscal Year ending June 30, 2011 and, if annually renewed, Fiscal Years ending June 30, 2012, 2013, 2014 and June 30, 2015. The audit will be performed for the City of Tolleson.

The firm will enter into a one-year contract for auditing services, contingent upon annual budget appropriation by the Mayor and Council City. At the option of the council and contingent upon annual appropriation, the contract may be renewed for four additional one year terms. Staff will be available to answer questions regarding the accounting system and also year-end closing timetable. Copies of the most recent annual financial report and selected accounting records will be available for inspection at that time.

Questions regarding the completion and submissions of your proposal are to be directed to Steven Baumgardt, Finance Director. Proposals are due in the City Clerk's office by Monday, April 11, 2011 at 2:00 P.M. Proposals will be publicly opened at that time. The City Clerk's address is 9555 West Van Buren Street, Tolleson, AZ 85353.

Please review full proposal at www.tollesonaz.org (agendas and minutes/public notices)

Notice Given by Chris Hagen
Tolleson City Clerk
Thursday, March 10, 2011

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Thursday, March 17 and March 24, 2011

CITY OF TOLLESON
REQUESTS FOR PERFORMANCE OF ANNUAL AUDITS
FOR FISCAL YEARS
2011, 2012, 2013,2014 AND 2015

ANNUAL AUDIT OF THE CITY OF TOLLESON

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ANNUAL AUDIT OF THE CITY OF TOLLESON

I. General Information

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The City of Tolleson is a statutory city under home rule option and is in Maricopa County, Arizona. Population within the city limits is estimated at 6,600. For Fiscal Year 2010-2011 the City had a total budget of \$66,950,190, with the operational budget at approximately \$33,429,801.

The City currently utilizes the SunGard Pentamation Finance Plus for all of its accounting, utility, and payroll related functions and uses AZTEC court software for court activities. The City generates various management reports each month. Estimated revenues and appropriated expenditures are reflected in the accounting records. The City utilizes a checking account, and a Local Government Investment Pool account with the Arizona State Treasurer's office.

All the accounting records are maintained by the City's Finance Department, which the department consists of a Finance Director, Financial Services Manager, Accountant and two Account Clerks. The City does not have an internal audit staff. There are no known exceptions to generally accepted accounting principals, or other material accounting problems. All of the City's funds are to be included in the scope of audit under this proposal. Reliance upon other auditor's reports is acceptable under this proposal. Written permission from the City of Tolleson is needed to review prior work paper and release of information.

The most recent audit was completed by Larson Allen CPAs Consultant & Advisors, 1201 South Alma Road, Suite 14000, Mesa, Arizona 85210.

The Finance Department staff will prepare year-end closing entries for each fund. Staff will be available to pull, reproduce and refile documents, answer questions, etc. Adequate table space and seating will be provided. All other auditing equipment will not be provided.

II. Description of Services Required

A. Scope

The audit is to be of sufficient scope to enable the auditor to express an opinion on the annual financial report expenditure limitation and single audit reports. The City's records include all departments and operations under the direct control of the Mayor & Council and City Manager. For the Fiscal Year ending June 30, 2011, and each fiscal year thereafter covered by the contract, the audit will include the following fund types.

1. General Fund
2. Special Revenue Funds
3. Capital Improvement Funds
4. Debt Service Funds
5. Utility Enterprise Funds
 - a. Water
 - b. Wastewater
 - c. Sewer
 - d. Sanitation

The audit and reports are to be made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in Government Auditing Standards, "Governmental Accounting, Auditing and Financial Reporting" (GAAFR), latest edition, by the Government Finance Officers Associations. "Codification of Governmental Accounting & Financial Reporting Standards," latest edition, by the Governmental Accounting Standards Board (GASB), subsequent GASB Pronouncements, Government Auditing Standards, and the Single Audit Act.

B. Special Compliance

Auditing services and reporting will include special reports as required by the State of Arizona Auditor General's office as set forth in A.R.S. 41-1279.07.

C. Other Special Services

Auditing and reporting services which may be required other than those described above shall be defined as other special services. Such services include compliance audits of Federal and State grant programs requiring separate compliance audits. Special services will include preparation of any statistical data required by continuing disclosure undertakings relating to the City's bonds. The audit firm may be asked to perform such other special services if authorized by the Council or the City's representative. Compensation for other special services will be on a negotiated fee basis.

D. Report Requirements

1. Annual Financial Report

The financial statements will minimally include those required under GAAFR, "Codification of Governmental Accounting & Financial Reporting Standards" and subsequent GASB pronouncements. The auditor's opinion encompassing the Financial Statements is to be addressed to the City Council and is to state the scope of the examination that the audit was performed in accordance with generally accepted auditing standards and must include an opinion as to whether the statements conform to generally accepted accounting principals

2. Single Audit Reports

The Single Audit Reports will include all reports required by OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations. Performed in Accordance with Government Auditing Standards.

3. Management Letter

A management letter addressed to Council and City Manager is required and should include statements on audit findings and recommendations affecting the financial statements, internal control, accounting systems, legality of actions, other instances of noncompliance with laws and regulations and any other material matters. A draft of the letter is to be reviewed by the Finance Director and City Manager prior to its release.

2. Presentation to Council

At the completion of the audit and assembly of the annual financial report, an oral report to City Council is to be made. The content of the presentation shall be at the discretion of the auditor but shall minimally encompass those topics described under the management letter and other topics as requested by City Council, or staff.

E. Contractual Arrangements

A one (1) year contract will be awarded for the audit of the City's accounting records. Continuation beyond the first year, is in the discretion of the Council and also is contingent upon annual budget appropriation by City Council

F. Working Papers

Working papers will be prepared by the auditor. Copies of the papers will be provided to the City. Working paper will minimally include: closing trial balance, all adjustments to closing trial balance, and final audited trial balance.

All working papers of the auditors will be retained for at least five years. Such working papers will be available for examination by authorized representatives of a cognizant federal audit agency and of the City of Tolleson.

G. Time Requirements

Except for normal tests of transactions, cash, internal control questionnaires and preliminary work, the auditors will not begin the audit of the funds until all funds are closed and fund statement drafts are prepared. It is estimated that the funds will be closed and ready for audit on or around August 25, 2011. A drafted financial statement will be completed on or around November 1, 2011 within two weeks from the final draft of the financial report, the auditor's opinion will be rendered.

In the event circumstances arise which prevent the City or the auditor from meeting the above deadlines, written extensions will be authorized by the Finance Director but in no event shall the audit and the auditor's opinion be delivered later than January 15th of each year.

III. Information to be Provided by the Proposer

In order to standardize the review process and to obtain the maximum degree of comparison, those parties interested in providing professional audit services for the City of Tolleson must provide the following in the specified format. Completed proposals are due by **2:00p.m on Monday April 11, 2011** in the City Clerk's office, 9555 West Van Buren Tolleson, Arizona 85353. Proposals will be publicly opened at that time.

1. Title Page

Independent Audit - FY 2011, 2012, 2013, 2014, and 2015
Firm Name
Address
Telephone Number
Name of Contact Person

2. Table of Contents

Include a clear identification of the material supplied by section and by page number.

3. Letter of Transmittal

- a. Limit to one or two pages.
- b. State the all-inclusive fee for each of the five years for which the work will be done for the City of Tolleson.
- c. List the name(s), title(s), addresses and phone number(s) of the person (s) who will be authorized to make representations for your firm.

- d. State that the person signing the letter of transmittal will be authorized to bind the firm.

4. Firm Profile and Qualifications

- a. Affirm that you are properly licensed CPA in the State of Arizona.
- b. State whether the firm is local, regional, national, or international
- c. State the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at the office.
- d. Describe your capability to audit computerized systems. Include name(s), title(s), and experience of the person(s) who will work on the audit. The City is interested in the years of experience your team has in municipal governmental auditing.
- e. Describe prior governmental auditing experience with clients similar to the City of Tolleson. Include Names of Political Subdivisions and dates of engagement.
- f. State your level of knowledge of the requirements for the Certificate of Achievement for Excellence in Financial Reporting issued by the GFOA of the U.S. and Canada. .
- g. Describe the review and quality of control procedures within your firm.
- h. Professional memberships of the firm (AICPA, etc.) and longevity of practice under current name. If less than five years disclose previous firms name(s) and date(s) of change.
- i. Describe the range of activities performed by the office such as auditing, accounting, tax, etc.
- j. Disclose any public record of substandard work or violation of professional ethics since 2001. Explain corrective action taken.
- k. Submit a copy of your Peer Review Letter.

5. Independence of the Proposer.

Describe any business, investment or family relationships your firm presently has with the City.

6. Work Plan

Submit a work plan to accomplish the scope of the audit as previously described. The work plan should include time estimates for each significant segment of the work, the

staff level to be assigned and the respective hourly rates.

7. Additional Data

Since the preceding sections are to contain only data that is specifically requested, any additional information considered essential to the proposal should be included in this section. Your general information publications, such as directories or client list, general information publications, such as directories or client list, should not be included unless specifically requested. If there is no additional information to present, state "There is no additional information we wish to present."

Evaluation of Proposals

Each qualifying proposal will be reviewed and ranked based upon the general factors listed below. In the event two or more proposals are similar in quality, an oral interview may be arranged to assist in making the final selection.

A. Technical experience of the firm.

- i. Responsiveness of the proposal in clearly stating an understanding of the work to be performed.
- ii. Qualifications of staff.
- iii. Size and structure of the firm.

B. Cost Evaluation Factors

State for each fiscal year, the all inclusive fee for the City of Tolleson financial audit, opinion, single audit and management letter. State the cost of hourly rates for other services.