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WILCOX ARREDONDO & CO.

Certified Public Accountants
Business Consultants

City of Milwaukie, Oregon

**Proposal for
Annual Audit**

City of Milwaukie, Oregon
Proposal for
ANNUAL AUDIT

Submitted by
Wilcox Arredondo & Co.
P.O. Box 1008
Canby, OR 97013
EIN: 93-1303013
Telephone: (503) 266-7545
email: sabino@cpawa.com
Contact Person: Sabino Arredondo
Date: February 12, 2013

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February 12, 2013

City of Milwaukie, Oregon
Attention: Rina M. Byrne
Assistant Finance Director
10722 SE Main Street
Milwaukie, Oregon 97222

Wilcox Arredondo & Co. is pleased to submit the audit services proposal for consideration by the City Council, City Manager and Finance Director of City of Milwaukie, Oregon (the City). Our firm can provide the City with auditing and business consulting services which will provide management with fundamental tools it can use to improve and maintain financial accountability. We believe the qualifications of our staff have uniquely qualified our firm for the kind of auditing and consulting services the City needs. We believe our experience and sound counsel will help the City continue to provide valuable services to its constituents.

We hereby make this firm and irrevocable commitment through the June 30, 2013 audit period to perform the general audit work and assemble the financial report within the time period requested, and for the proposed fee, unless unexpected circumstances arise. In the event that happens, we will immediately inform the City’s City Manager and Finance Director of the conditions found and negotiate an equitable settlement. A separate engagement letter may be issued as a result of such negotiations. We will perform our audit in conformance with generally accepted auditing standards and the minimum standards for audits of Oregon municipal corporations. Additionally, the audit will conform to the guidelines of the U.S. General Accounting Office’s (GAO) *General Auditing Standards*, *Guidelines for Financial and Compliance Audits of Federally Assisted Programs*, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133), and any additional official pronouncements that may impact municipal accounting and financial reporting. Our firm, and all staff to be assigned to this engagement, are properly licensed with the State of Oregon to perform this audit. We are also independent of the City.

Our proposed all-inclusive fee for the next five fiscal years follows:

June 30, 2013	\$ 25,150
June 30, 2014	25,905
June 30, 2015	26,683
June 30, 2016	27,483
June 30, 2017	28,307

Wilcox Arredondo & Co., as an experienced and vigorous organization, recognizes that its most important product is prompt, accurate and efficient service of the highest quality. Our efforts will be directed toward achieving the City’s goals and we will strive to fulfill obligations presented in this proposal to your complete satisfaction.



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Sabino Arredondo, CPA and Julie Stoltzfus, CPA are authorized to make representations for Wilcox Arredondo & Co. regarding this engagement, and are also authorized to bind Wilcox Arredondo & Co. in this matter. Sabino Arredondo is Managing Partner of the Firm and Julie Stoltzfus is a Partner of the firm. The mailing address of the firm is P.O. Box 1008, Canby, Oregon 97013 and the telephone number is (503) 266-7545.

The additional information contained in this proposal is hereby incorporated in this letter by reference.

Regards,

WILCOX ARREDONDO & CO.

A handwritten signature in blue ink that reads 'Sabino Ar'.

Sabino Arredondo, CPA
Partner



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PROFILE OF WILCOX ARREDONDO & CO.

Wilcox Arredondo & Co. is a full-service certified public accounting firm licensed in the State of Oregon. Our firm and/or its staff have been providing public accounting and business consulting services to Oregon's communities since 1972. All assigned professional staff members are licensed to practice in Oregon.

Our philosophy of personalized service means providing municipal governments with comprehensive and consistent services from a team of accountants who are assigned to the audit for the term of the contract. This approach increases our ability to establish and maintain open channels for clear communication, gain trust, and eliminate misunderstandings. It also means drawing on our varied experiences and tempering our work and advice accordingly. In other words, we go beyond the textbook approach and offer practical counsel based on experience.

Wilcox Arredondo & Co. meets applicable standards of independence to perform the financial statement audit of the City. We take personal interest in our clients' programs and mission thereby enhancing our ability to provide sound counsel.

Wilcox Arredondo & Co. is a local firm located in Canby, Oregon. The firm's mailing address is P.O. Box 1008, Canby, Oregon 97013 and the physical address is 190 North Douglas Street, Canby, Oregon 97013.

Wilcox Arredondo & Co. has two partners, and seven staff of which five are certified public accountants (CPA), one clerical/paraprofessional staff person, an office manager, and two part-time staff. Our firm has five professionals licensed to perform municipal audits and the firm has seven total governmental audit staff.

Our firm is on a three year schedule of obtaining peer reviews of its accounting and auditing department. The last completed review was performed for the period ended April 30, 2011. This review resulted in a pass opinion from the reviewer, the highest level of assurance that is given under the peer review program.

As a full service firm, we provide services in the following areas: auditing, accounting (compiled and reviewed financial statements), income and estate tax preparation and planning, financial planning (we do not recommend specific investments), and various business consulting services (litigation support, firm retreats, entity selection, and succession planning). All of our staff personnel are utilized in more than one department of the firm which contributes to a well-rounded experience. However, certain staff members have had specialized education and maintain higher than average expertise in some of the specialty areas mentioned.

Wilcox Arredondo & Co. has prepared and assisted multiple municipal governmental clients in preparing financial reports that are in compliance with Generally Accepted Accounting Principles (GAAP). Our approach is to provide our clients' accounting personnel with applicable GAAP standards, examples of statements or note disclosures and assisting them through the report preparation process.



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PROFILE OF WILCOX ARREDONDO & CO. (continued)

Our firm also provides accounting personnel with pertinent information on new GAAP and Governmental Accounting Standards Board (GASB) standards and we take time to explain the impact and assist in the implementation of new pronouncements for accounting and reporting purposes. This approach is tailored to each client based on the accounting department’s specific requirements.

The firm's clients and experience backgrounds are diverse and include municipal corporations, not-for-profit entities, construction contractors, manufacturers, retail and wholesale outlets, agricultural processors and producers, and others. A significant number of these organizations are of comparable or larger size than the City. Various levels of accounting services are provided ranging from reviews of financial statements to audits, and most include consulting services. Specific to your needs, our firm is currently on contract with nine municipal corporations to provide audit (including A-133 compliance audits) and consulting services.

The unique financial reporting needs of these organizations, and the many others we serve, provide us with a thorough knowledge of compliance requirements associated with local, state and federally-funded organizations. Our expertise in these areas will ensure clients receive a quality audit product.

PERSONNEL PERFORMING THE AUDIT

The following staff will be assigned to the engagement:

<u>Name</u>	<u>Title</u>	<u>CPA License Number</u>	<u>Municipal Audit Roster Number</u>
Sabino Arredondo	Partner	8166	1189
Julie Stoltzfus	Partner	9704	1301
Jeremy Gingerich	Senior	12883	1504

The Partner in charge of the City’s audit will be Sabino Arredondo, CPA. Sabino has a business administration degree from Goshen College in Goshen, Indiana, and an Oregon CPA certification. He is a member of the Oregon Society of Certified Public Accountants and the American Institute of Certified Public Accountants. Sabino is a member of the roster of Oregon municipal auditors. He worked for six years with Mackey Kuenzi Wilcox & Co. before leaving to form Wilcox Arredondo & Co. Sabino will lead the audit team and be your primary contact for the duration of the engagement. Sabino has over 18 years experience in public accounting, with significant time involved with audits of school districts and other municipalities, non-profit organizations and commercial companies. Sabino has been the Partner in charge of McMinnville School District since 2000, Clackamas Education Services District since 2007 and Colton School District Since 2007.



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PERSONNEL PERFORMING THE AUDIT (continued)

Julie Stoltzfus CPA, Partner, has a bachelor's degree in business administration with a concentration in accounting from George Fox University. Julie also has a municipal auditing license, and is on the Oregon Municipal roster. She joined the firm in 1997 and has been an active and productive auditor since that date. Julie has worked on audits of the community college, school districts, special districts, and not-for-profit audits for her entire career. Julie has become an excellent trainer, and is often asked to go to client's offices to train them in the use of their accounting software. Julie's continuing education has made her highly conversant in the requirements of GASB standards. Julie also has extensive municipal auditing and accounting experience in Oregon engagements that have received the GFOA Certificate of Achievement. Julie is a member of both the American Institute of Certified Public Accountants and the Oregon Society of Certified Public Accountants. Julie will perform the review of the engagement.

Jeremy Gingerich, CPA joined our firm in 2007. He has a bachelor's degree in English from Goshen College and an accounting certificate from Linfield College. Jeremy is a member of both the American Institute of Certified Public Accountants and the Oregon Society of Certified Public Accountants. He is also a member of the Oregon Municipal roster. He has over five years of governmental experience including working on Canby School District, Estacada School District and McMinnville School District. His role will be assisting with interim and field work in this engagement.

Ignacio Palacios joined our firm in 2012. He has a business administration degree from Oregon State University with a concentration in accounting and has extensive experience performing audits of special districts, non-profits, for-profits and municipal governments including Yellow Book and A-133 Compliance audits. Prior to joining our firm Ignacio worked with Grove, Mueller & Swank, P.C. as a Senior Auditor responsible for 18-plus engagements, including Marion County, City of Milwaukie, City of Springfield, City of Sherwood, City of Oregon City and other engagements. Ignacio also has experience managing local municipal governments as he previously served as a Finance Director successfully receiving the GFOA Certificate of Achievement for both the budget document and financial statements submitted. Having served as a Finance Director provides him with a unique perspective and awareness of political and financial pressures that could have a direct impact on engagements and the ability to provide pertinent advice to clients. Ignacio has also provided consulting services assisting municipal governments evaluating, updating and implementing system of controls over financial reporting. His role will be assisting with interim and field work on the engagement including, if necessary, the single audit portion of the engagement.

Each of the accountants identified above has substantial prior experience working on municipal audits and all are in compliance with continuing education requirements of the Oregon State Board of Accountancy. Most continuing education is obtained through the Oregon Society and American Institute of CPA's sponsored programs. Any additional staff who may be assigned to the engagement will be in compliance with state and federal education requirements for auditing governmental entities and will continue to remain in compliance during the term of our relationship.



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PERSONNEL PERFORMING THE AUDIT (continued)

The City will be notified of changes in supporting staff participating on the audit prior to commencement of fieldwork. We also believe it is in the best interest of both the City and Wilcox Arredondo & Co. to use the same staff on the engagement from year to year. The partners and manager will not change in subsequent years, and every attempt will be made to use the same support staff in each of the subsequent years of the engagement. Additional information regarding education and experience is available upon request.

Our firm also provides management consulting services to its municipal and not-for-profit clients.

Such services involve management retreats, management and board training, and accounting and financial reporting system design and implementation. If such services are required, Partner or Manager level staff would complete this work. We do not provide actuarial studies, but look to other consultants for those services.

Wilcox Arredondo & Co. partners and staff have performed audits under the requirements of GASB 34 and helped with the implementation process for all of our municipal clients. Partners and staff continue to take governmental accounting and audit training and continuing professional education to assist with the implementation of GASB 54, for example, and other pronouncements. It has always been and continues to be our policy to keep abreast of the changing requirements of our profession. The fact that our peer reviewer has always given us an unmodified opinion on our procedures attests to the effectiveness of our training and education policies.

APPROACH TO THE EXAMINATION AND STATEMENT OF SERVICES

Our Firm's objective will be to provide the City with timely and cost-effective audited financial statements for each year of the contract. Upon successful completion of the initial audit, we would anticipate renewing the audit contract for four additional years. Wilcox Arredondo & Co. will work closely with City staff in preparing for and performing the audit(s). The audit(s) will be performed in accordance with generally accepted auditing standards; U.S. General Accounting Office's (GAO) *Government Auditing Standards*; Guidelines for Financial and Compliance Audits of Federally Assisted Programs; *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133); and any other official pronouncements that may impact the engagement. They will include tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances to express an opinion on the financial statements taken as a whole.

Our approach to the audit will include documenting our understanding of the system of internal controls, although we may not rely on the internal control structure in the performance of our audit. We plan to audit the material balance sheet accounts using third-party verification to the greatest extent possible. We will also test transactions in an amount sufficient to allow us to conclude on the general and specific requirements as outlined in OMB Circular A-133 and the appropriate compliance supplements, as applicable. Our test of transactions will include third-party verification and actual testing of supporting documents such as canceled checks, purchase orders, vendor invoices, etc., statistically selected.

WILCOX ARREDONDO & CO.
Certified Public Accountants | Business Consultants



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APPROACH TO THE EXAMINATION AND STATEMENT OF SERVICES (continued)

Our goal will be to plan our audit to emphasize areas in which we believe audit risk exists and spend less time on those areas in which little or no audit risk is believed to exist.

We will begin the audit by requesting that the City's staff complete certain checklists and questionnaires. These will cover all areas deemed to be significant to the audit process including, but not limited to, cash receipts, cash disbursements, inventory, fixed assets, operations and controls in information technology departments over financial and accounting data. After reviewing the responses, we will develop audit programs and procedures tailored to the specific control environment of the City. Our goal will be to structure the audit to emphasize work in areas we perceive as higher risk due to weaker controls, large numbers of transactions, large balances, etc., and to spend less time auditing areas which are determined to be of lesser significance. While it is the auditor's responsibility to develop audit programs and determine specific steps for any particular audit, we welcome input from the City's City Council or management during the planning stage of each year's audit. To the greatest extent possible, we will consider comments, questions, or other requests when designing our audit programs for the annual audit.

We will use audit programs and related technical guidance provided by Practitioners Publishing Company for the audit. Statistical sampling procedures will be used to test transactions and direct confirmation letters will be used to test account balances. We will use ProSystems Trial Balance Engagement software for file maintenance and to further assist us in selecting major accounts and transactions to test. In addition, certain schedules and analyses are maintained on spreadsheet software.

All audit steps taken and workpapers prepared by staff are reviewed by the In-Charge Auditor who supervises the engagement. Partners review all audit steps and workpapers prepared by the In-Charge Auditor and staff. An independent Partner review will be performed by Sabino Arredondo who will review the auditor's report and audited financial statements for compliance with applicable professional and governmental standards. Julie Stoltzfus will perform the quality control review following the technical review, prior to the report issuance. These reviews are a necessary part of our quality control process and help insure that you receive a quality product.

We approach the audit from the standpoint of helping the client complete an important and legally-mandated function with as little 'fuss' as possible. If we have a question concerning accounts payable, for instance, we will speak directly to the accounts payable clerk, rather than interrupting the accounting supervisor or finance director.

We will perform as much of our work as possible at your location. This will include the actual audit tests, review of the workpapers by In-Charge Auditor and partners, and drafting of the financial statements (as applicable). We believe this approach lends itself to being more efficient, less disruptive to the City's accounting staff, and allows a more compressed and efficient work schedule. We do not anticipate the length or the timing of the engagement to be different than what the City has experienced in the past.



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APPROACH TO THE EXAMINATION AND STATEMENT OF SERVICES (continued)

We issue a management letter at the conclusion of most of our audit engagements. The issues to be included in the management letter are discussed with appropriate client personnel when noted and then accumulated during the course of our field work, when the management letter is prepared. Our purpose in preparing a management letter is to assist the client in addressing any weaknesses in the accounting system. We will never include comments in the management letter that have not been discussed with appropriate personnel prior to issuance of the letter. Occasionally, we find no matters that we consider important enough to warrant inclusion in a management letter. In such cases, we will discuss any 'minor' issues that may exist with management in our exit conference and provide recommendations for improvements regarding any issues noted.

We have included, in a separate electronic submission by email, the June 30, 2012 audit reports of Canby School District and McMinnville School District as well as the management letters resulting from the audit of these districts. The audit reports provide two examples, from the prior year, of our single audit work and municipal audit reports issued under State of Oregon requirements.

FEE PROPOSAL

Wilcox Arredondo & Co.'s philosophy of professional service fees emphasizes value. We provide value by developing approaches to the client's requests while using the appropriate level of staff expertise. We also stress the importance of utilizing client personnel to the extent acceptable to the City as a means of reducing costs and transferring skills to your organization.

We will be available and responsive to the City's audit needs throughout the performance of the audit. If any direct expenses are incurred at the request of the City after the final audit report has been accepted, the City will be responsible for reimbursement of those expenses. Fees for services requested outside the scope of the audit will range from \$60 to \$150 hourly, depending upon the level of expertise needed to resolve the issue. Specific rates and schedules would be determined at the time the services are requested and prior to any additional work proceeding.

We hereby commit that our all-inclusive fee for the City's 2012-2013 audit is \$25,150. The estimated fees are computed on the assumption that extraordinary circumstances which would cause a material extension of normal procedures are not encountered. Attachment D: Not to Exceed Price for Proposed Service Schedule, includes the detailed calculation for this fee as well as the fees for the four subsequent years. Each subsequent year includes an estimated 3.0% cost of living increase. In addition, our proposal anticipates receiving a completed set of workpapers and timely reconciliation of significant account balances and funds upon arrival for scheduled fieldwork. If this expectation is not met, additional fees over-and-above the proposed amounts may be required; with these costs billed to the City in addition to the fees quoted above. If an A-133 audit is required, we anticipate the corresponding fees not to exceed \$1,800 (included in fee above - see Attachment D for detailed computation).



City of Milwaukie, Oregon
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FEE PROPOSAL (continued)

If actual fees incurred are less than the quoted amount, the City will only be invoiced for the work performed. In the event of an extension of planned audit procedures and additional fees, we would promptly consult with the City and obtain written approval before continuing the engagement. Invoices for our services will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, interest will be assessed at the rate of one-half of one percent per month on all amounts over 30 days old, and work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full.

We have also included Attachment C: Proposed Audit Schedule indicating the proposed timing of interim fieldwork, final fieldwork, and delivery of the audit report to facilitate submission of the Comprehensive Annual Financial Report to the GFOA by December 15 of each fiscal year. Attachment E: Subsequent Years - Expected Hours includes an estimate of the hours we believe will be required in future year audits.

REFERENCES

Governmental Audit Clients	Beginning Year Audit	Administrative Contact Information
Clackamas ESD	2007	Tim Witcher, Chief Financial Officer 503-675-4035 twitcher@clackesd.k12.or.us
McMinnville School District	1997	Susan Escure, Director of Finance 503-565-4005 sescure@msd.k12.or.us
Canby School District	1995	Mary Knigge, Business Manager 503-266-0020 kniggem@canby.k12.or.us
Gladstone School District	2010	Don Stahely, Director of Finance 503-655-2777 stahelyd@gladstone.k12.or.us
Estacada School District	2010	Donna Cancio, Business Manager 503-630-6871 canciod@estacada.k12.or.us
Corbett School District	2012	Kristy Fogle, Business Manager 503-261-4283 kfogle@corbett.k12.or.us
Clackamas Community College	2002	Chris Robuck, Director of Finance 503-594-3090 chrizr@clackamas.edu

In addition to the above governmental engagements, we also provide audit services to Colton School District (2007 - present), South Clackamas Transportation District (2006 - present), Columbia Gorge ESD (2010 - present), LaSalle High School of Milwaukie (1995-present), Western Mennonite School (2008-present), Hope Village, Inc. (1996-present), Friends of Canby Adult Center, Inc. (1996-present), and Sunny Oaks, Inc. (2009-present). We invite prospective clients to seek input from our current and past clients.



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REFERENCES (continued)

We were the audit firm for Clackamas Community College and Foundation through June 30, 2007. We successfully completed the five year term set out in our proposal. The College has a set policy of changing auditors every five years so we were unable to continue our engagement. This is the only audit engagement that has been discontinued in the last five years.

Wilcox Arredondo & Co. has prepared and assisted clients in preparing financial reports that have been awarded the Governmental Finance Officers Comprehensive Annual Financial Report Certificate of Achievement, and the Certificate of Excellence in Financial Reporting sponsored by the Association of School Business Officials International. Additionally, the Government Finance Officers Association has asked our firm to grade reports prepared by other accountants as part of their Certificate of Achievement program. Canby School District, McMinnville School District and Clackamas Community College are examples of clients that have obtained such certificates.

The unique financial reporting needs of these organizations and the many others we serve provide us with a thorough knowledge of compliance requirements associated with local, state and federally-funded organizations. Our expertise in this area will ensure clients receive a quality audit product.



Bill Maas, CPA

William E. Maas, P.C.
Certified Public Accountant
925 Country Club Road, Suite 101
Eugene, Oregon 97401-2271

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E-Mail: bmaasca@msn.com

System Review Report

September 21, 2011

To the Partners
Wilcox Arredondo & Co.
and the Peer Review Committee of the Oregon Society of CPAs

I have reviewed the system of quality control for the auditing and accounting practice of Wilcox Arredondo & Co. (the firm) in effect for the year ended April 30, 2011. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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

In my opinion, the system of quality control for the accounting and auditing practice of Wilcox Arredondo & Co. in effect for the year ended April 30, 2011 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*. Wilcox Arredondo & Co. has received a peer review rating of *pass*.

William E. Maas, PC

City of Milwaukie, Oregon
Attachment B: Work Samples
RFP for Professional Auditing Services

The following items have been submitted as separate PDF documents in the email containing this proposal (page numbers listed are for the page in the PDF file rather than as paginated):

1. June 30, 2012 Comprehensive Annual Financial Report of Canby School District No. 86
Filename: Canby CAFR.pdf
Single Audit work sample: pages 155-156
State of Oregon audit report: pages 149-150
2. June 30, 2012 Comprehensive Annual Financial Report of McMinnville School District No. 40
Filename: McMinnville CAFR.pdf
Single Audit work sample: pages 121-122
State of Oregon audit report: pages 115-116
3. December 26, 2012 Management Letter - Canby School District No. 86
Filename: Canby Management Letter.pdf
Management Letter work sample: pages 31-32
4. December 3, 2012 Management Letter - Columbia Gorge Education Service District
File Name: Columbia Gorge ESD Management Letter.pdf
Management Letter work sample: page 29

City of Milwaukie, Oregon

Attachment C: Proposed Audit Schedule

RFP for Professional Auditing Services

July

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

City prepares for interim fieldwork (we will provide list of requirements)

Interim fieldwork

October

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

We will provide list of items needed in preparation for fieldwork

November

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

City completes items required for fieldwork and draft of CAFR

Fieldwork

Review of CAFR and preparation of audit reports

December

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Delivery of audit for submission to GFOA

City of Milwaukie, Oregon

Attachment D: Not to Exceed Price for Proposed Services Schedule
RFP for Professional Auditing Services

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Milwaukie, Oregon, the firm referenced below hereby submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

Key Personnel	Fiscal Year Ended June 30, 2013				
	F/S Audit Hours	Single Audit Hours	Total Hours	Total Hourly Rate	Total
Engagement Partners					
Sabino Arredondo	44	1	45	\$ 150	\$ 6,750
Julie Stoltzfus	17	3	20	125	2,500
Engagement Senior					
Jeremy Gingerich	80	-	80	85	6,800
Engagement Staff					
Ignacio Palacios	85	15	100	85	8,500
Engagement Staff					
Betty Koenig	10	-	10	60	600

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Milwaukie, Oregon, the firm referenced below hereby submits the following cost proposal:

	Fiscal Year Ended June 30,				
	2013	2013	2013	2016	2017
Financial Statement Audit:	\$ 23,350	\$ 24,051	\$ 24,773	\$ 25,516	\$ 26,281
Single Audit:	1,800	1,854	1,910	1,967	2,026
Total	<u>\$ 25,150</u>	<u>\$ 25,905</u>	<u>\$ 26,683</u>	<u>\$ 27,483</u>	<u>\$ 28,307</u>

The Firm understands that the City of Milwaukie, Oregon expects to receive technical assistance, as needed, from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. The financial statement audit fees above include these services.

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract with the City of Milwaukie, Oregon, for the services identified in the Request for Proposal.

Firm Name: Wilcox Arredondo & Co.

Signature: 

Printed Name: Sabino Arredondo, CPA

Title: Managing Partner

Date: February 12, 2013

Email Address: sabino@cpawa.com

City of Milwaukie, Oregon

Attachment E: Subsequent Years - Expected Hours

RFP for Professional Auditing Services

FY 2013-14

Name	Position	Estimated Hours
Sabino Arredondo	Managing Partner	45
Julie Stoltzfus	Partner	20
Jeremy Gingerich	Senior	80
Ignacio Palacios	Senior Staff	95
Betty Koenig	Clerical	10

FY 2014-15

Name	Position	Estimated Hours
Sabino Arredondo	Managing Partner	45
Julie Stoltzfus	Partner	20
Jeremy Gingerich	Senior	75
Ignacio Palacios	Senior Staff	90
Betty Koenig	Clerical	10

FY 2015-16

Name	Position	Estimated Hours
Sabino Arredondo	Managing Partner	45
Julie Stoltzfus	Partner	20
Jeremy Gingerich	Senior	75
Ignacio Palacios	Senior Staff	90
Betty Koenig	Clerical	10

FY 2016-17

Name	Position	Estimated Hours
Sabino Arredondo	Managing Partner	45
Julie Stoltzfus	Partner	20
Jeremy Gingerich	Senior	75
Ignacio Palacios	Senior Staff	90
Betty Koenig	Clerical	10