

RESOLUTION NO. 2014-12-500R

**A RESOLUTION APPROVING AND AUTHORIZING
EXECUTION OF AN ENGAGEMENT AGREEMENT FOR
AUDIT SERVICES FOR FY 2014 WITH PRZYBYSZ &
ASSOCIATES, CPA'S, P.C.**

WHEREAS, the Tontitown Water and Sewer department is required by law to annually audit its financial records; and

WHEREAS, Przybysz & Associates, CPA's, P.C., has submitted a statement of qualifications to perform the required audit.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the city of Tontitown, Arkansas:

Section 1: That based upon the statement of qualifications dated October 27, 2014, Przybysz & Associates, CPA's, P.C., is qualified to perform the audit of the FY 2014 financial records.

Section 2: Pursuant to the terms contained in said statement of qualifications, that the execution of an engagement agreement with Przybysz & Associates, CPA's, P.C. by the Mayor of the city of Tontitown be and hereby is authorized, and that the Mayor is further authorized to execute such other and additional documents or instruments as deemed necessary to fully effectuate the purposes of this resolution.

PASSED AND APPROVED this 30th day of December, 2014.


JACK BECKFORD, Mayor

ATTEST:


ALICIA COLLINS, Recorder

**PRZYBYSZ & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
220 SOUTH SCHOOL AVENUE
FAYETTEVILLE, ARKANSAS 72701**

Phone: (479)444-8200

Fax: (888)343-5852

Email: marcl@selectcpa.com

Contact Person: Marc Lux, CPA

Submission Date: October 27, 2014

October 27, 2014

**Tontitown Water and Sewer Department
201 East Henri de Tonti Blvd.
Tontitown, AR 72770**

RE: Request for Proposal for Annual Audit Services

To the Honorable Mayor and City Council:

Thank you for the opportunity to bid auditing services for the years ending December 31, 2014 for the Water and Sewer Department of the City of Tontitown, Arkansas. (TW&SD). Our proposed fees are located on page 3 of this document.

SIZE AND QUALIFICATIONS OF PRZYBYSZ & ASSOCIATES, CPAs

Przybysz & Associates, CPAs is a local Certified Public Accounting firm located in Fort Smith and Fayetteville, Arkansas. Our firm has a professional staff of 13, a paraprofessional staff of three, and a support staff of one. We are licensed to practice in Arkansas and Oklahoma. Our firm specializes in government and non-profit auditing. Our firm has conducted over 1,700 audits of governmental and non-profit organizations. These organizations range in size from the very large (in excess of \$100 million in annual revenues) to the very small (less than \$100 thousand in annual revenues). The organizations we have provided auditing services to include cities, municipalities, county agencies, school districts, private schools, local and regional municipal water departments and districts, agencies on aging, child care agencies, Department of Housing & Urban Development funded agencies, United Way agencies, Red Cross agencies, and many other types of organizations. These organizations ranged from privately funded to fully government funded. The government funded organizations receive their funding from Department of Human Services, Department of Housing and Urban Development, Department of Commerce, Department of Education, Department of Agriculture (USDA), various state agencies, and various other federal agencies.

PEER REVIEW LETTER

A copy of our most recent peer review letter is enclosed herewith.

QUALIFICATIONS OF MANAGEMENT PERSONNEL TO BE UTILIZED IN AUDIT

John Przybysz – John is a licensed CPA in Arkansas and Oklahoma. John graduated from Arkansas Tech University with a Bachelor of Science with Honors in accounting. John has been practicing accounting since 1986. He has supervised the audits of over 1,180 governmental and non-profit organizations. John will serve as managing partner in charge of the TW&SD's audit.

Marc Lux – Marc is a licensed CPA in Arkansas and Oklahoma. Marc graduated from the University of Arkansas with a Bachelor of Science of Business Administration with a major in accounting. Marc has been practicing accounting since 1993. He has assisted with, conducted, and/or managed over 1,000 audits of governmental and non-profit organizations. Marc will serve as audit partner in charge of the TW&SD’s audit.

Nick Blackard – Nick is a licensed CPA in Arkansas. Nick graduated from the University of the Ozarks with a Bachelor of Science in Accounting. Nick has been practicing accounting since 1997 and has been with our firm since 2011. Prior to joining our firm, Nick’s experience included for-profit financial statement audits, for-profit accounting management and extensive internal control experience, specifically in regards to compliance with the Sarbanes-Oxley Act. Since joining our firm, Nick’s audit experience has been limited exclusively to audits of non-profit and governmental entities.

Matt Przybysz – Matt obtained college degrees from two universities. Matt graduated from the University of Arkansas Fort Smith with a degree in accounting. Matt also graduated Cum Laude from the University of Memphis with a degree in Psychology. Matt’s experience has been exclusively in nonprofit and governmental auditing.

Jacob Ashford – Jacob has a Bachelor of Science in Management Information Systems, Management Accounting option and a minor in Business for Oregon Institute of Technology. Jacob’s auditing experience has primarily been with not-for-profit and governmental entities within the Northwest Arkansas area.

DESCRIPTION OF TECHNICAL APPROACH TO BE USED IN AUDIT

Przybysz & Associates, CPAs utilizes the most current and innovative auditing procedures available. We recognize the importance and benefits of computer technology on the accounting and auditing field. As a result, our auditors are equipped with up to date laptops, portable printers and scanners. The laptops contain software exclusively designed for audit firms such as Caseware Working Papers®, PPC’s Audit Guides®, Audit Planning & Testing®, Asset Keeper®, and many others. Our firm utilizes an auditing procedure which first determines materiality. We then examine 100% of the transactions over the materiality limit. The remaining transactions are then subjected to potential examination through statistical sampling selection. We use a confidence level of 90% with a margin of error of + or – 5% when sampling. Additionally, our firm pays tremendous attention to analytical procedures, ratios, and comparisons with other entities of the same type. Our firm is a paperless office. We utilize scanners and digital recording techniques in order to increase audit efficiency and provide for safer data retention policies.

FEE

Our proposed fees are as follows:

Audit preparation for the year ended December 31, 2014	\$9,000
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The fees noted above includes all the levels of staff that will be involved in the engagement.

REFERENCES

- Arkansas Rural Water Association
Contact: Dennis Sternberg
Phone: (501) 676-2255
- James Fork Regional Water District
Contact: Donna Strozier
Phone: (479) 996-4296
- City of Farmington, Arkansas
Contact: Melissa McCarville
Phone: (479) 267-3865
- City of Bethel Heights Wastewater Treatment Fund
Contact: Jeff Hutcheson
Phone: (479) 751-7481
- Elkins Water & Sewer fund
Contact: Bruce Ledford
Phone: (479) 643-3121

If you have any questions, please do not hesitate to contact me.

Sincerely,
Przybysz & Associates, CPAs, P.C.

By: Marc Lux
Marc Lux, CPA

ACCEPTED FOR CITY OF TOWNSHIP 12/17/14
JACK TUCKER
MAYOR
