

PROPOSAL FOR SERVICES FOR



March 9, 2021

Christopher A. Jones, CPA  
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Mesa, Arizona 85201  
480.834.6030





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## FIRM BACKGROUND

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### WHO WE ARE

Organizations of varying size and complexity have one thing in common: they want an accounting firm that will also act as their guide through the uncertainties of today's complex and competitive environment. At Schmidt Westergard & Company we have been delivering high quality, strategic consulting for more than 50 years. We do more than prepare your taxes or audit your financial statements – our team of approximately 40 employees are your trusted experts. We guide you through every stage of growth, from start-up through the entire lifecycle of your organization. We help organizations transition to their next level and have the experience and resources to meet your needs. Clients benefit from our full range of services through dedicated resources in accounting, tax, and business advisory services, and our personalized focus on their success.

### EXPERTISE

Each client deserves quality advice, planning, and compliance services that enable their organizations to succeed in today's economy. Our partners and professional staff are experts in our client practice areas. We invest in our professionals to ensure that they understand your industry. This helps us identify, personalize, and deliver the right service to you.

Clients of Schmidt Westergard & Company also benefit from our partners' professional development in international firms, complemented by our partners' hands-on, responsive involvement in their clients' engagements.

Our clients benefit from our:

- experience and consistency,
- thoroughness in addressing their challenges,
- innovation in helping them achieve greater success, and
- commitment to providing consistently superior client service.

### GLOBAL RESOURCES

**Schmidt Westergard & Company is a member of BKR International**, a leading global association of independent accounting and business advisory firms representing the expertise of more than 160 member firms with over 500 offices in over 80 countries worldwide. BKR member firms adhere to and uphold the highest professional and ethical standards as required by their local regulatory authorities - maintaining rigorous standards of excellence throughout the world. As part of a global team, we have access to expertise in virtually every area of practice, and throughout the world. For a listing of affiliates, please visit [www.bkr.com](http://www.bkr.com).



## FIRM CULTURE

Schmidt Westergard & Company's firm culture is a product of careful planning and ongoing scrutiny and calibration. Our commitment to the following has produced a culture that stimulates excellence, growth, and ultimately, success - as our Firm's leaders have defined it:

- the efficient delivery of traditional services (i.e., assurance and tax) and an expanding array of non-traditional services tailored to the evolving needs of our clients and targeted industries
- anticipation of and affirmative response to our clients' needs, opportunities and challenges
- deliberate, sustained growth
- continuing and progressive development of our professional and support staff, with an emphasis on both attitude and aptitude
- participation in a strong international alliance
- contribution of time and resources to build our community and our profession

Through a combination of talented people, skills, resources, and exceptional client service, we help strengthen organizations. We truly believe in "strength through numbers".



## SERVICES WE PROVIDE

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## SERVICES WE PROVIDE



### ATTEST SERVICES

We believe that selecting a **qualified, experienced firm** is important because a quality audit will help protect the assets and financial integrity of your organization. Additionally, when making financial decisions, heads of organizations rely on accurate financial statements to make important decisions. We strongly believe an audit by Schmidt Westergard & Company adds significant credibility to your financial statements. You also benefit from valuable feedback on how your systems and operations compare to benchmark organizations.

*Attest Services we provide include:*

- Audits, Reviews, and Full Disclosure Compilations of Financial Statements
- Due Diligence
- Employee Benefit Plan Audits
- Assistance with Cash Flows and Budgeting
- Internal Control Evaluations
- Operational Reviews
- Agreed Upon Procedures



### RETURN PREPARATION

Growing organizations need even more guidance. **Effective planning and appropriate filing** are just two ways of using our tax expertise to keep you in compliance.

*You can look to our highly qualified tax professionals for:*

- Coordinated Tax Planning for your organization and its donors
- Estate and Lifetime Gift Planning
- Representation for Tax Examinations and Controversies



### ENTREPRENEURIAL SERVICES

We are able to provide excellent personal service aimed at **helping you understand financial information** so that you and key people in your organization are more informed when making important decisions.

*Entrepreneurial Services:*

- Accounting System Design and Software Consulting
- Certified QuickBooks® Consulting
- Fixed Asset Management (depreciation schedules)
- Budget to Actual Reporting
- Monthly, Quarterly, and Annual Compiled Financial Statements
- Ledger and Journal Maintenance
- Monthly Bank Reconciliations
- Payroll and Sales Tax Preparation
- Cash Flow Projections and Analysis



### FORENSIC SERVICES

If you need **financial information translated** into simple language that your attorneys can use in the litigation or settlement process and that a jury can easily understand, we can help.

*We can also:*

- Establish lost profits, value, and cash flow
- Sift through financial data and identify key information
- Identify fraud
- Conduct business valuations
- Evaluate the testimony of deponents
- Prepare for depositions
- Provide expert witness
- Calculate the tax impact of a remedy or settlement



## ADDITIONAL INFORMATION

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### NOT-FOR-PROFIT EXPERIENCE

**Service to not-for-profit organizations has long been part of the Schmidt Westergard & Company culture and practice.** We focus on not-for-profit organizations because we admire and respect their passion for their mission. Our not-for-profit practice has seen tremendous growth and success in recent years. The listing on page 10 includes Client References for whom we have provided both audit and tax services for the prior three years, and who are similar to Junior Achievement of Arizona (the “Organization”) in either size or nature of accounting complexity. Also listed, on page 11, are the numerous not-for-profit and tax-exempt organizations the partners have served throughout their careers with both attest and tax services.

Firm-wide **we have significant not-for-profit audit and tax experience.** We currently provide services to more than 50 not-for-profit entities in the not-for-profit sector. Several members of our team regularly attend conferences and obtain training specific to not-for-profit organizations as well as review current updates related to not-for-profit issues. Additionally, we have professional staff who are members of the AICPA’s Not-For-Profit Section. We have received favorable feedback from significant donors of other not-for-profit clients related to our audit work, and the Organization likely has some contributors in common with our other not-for-profit clients.

### INDEPENDENCE

All Schmidt Westergard & Company professionals are keenly aware of the standards on independence, and we regularly review those standards on a firm-wide basis. Each year, all of the firm’s professionals are required to reevaluate their independence vis-à-vis all Schmidt Westergard & Company clients. In addition, at the outset of each attest engagement, we perform a detailed review for the existence of any threats to independence for that particular engagement.

Schmidt Westergard & Company has no professional relationships with the Organization and is independent.



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## PROPOSED ENGAGEMENT TEAM & STAFF CONTINUITY

We strive to provide excellent client service through continuity of engagement service teams. Turnover of our professional staff is minimal. All members of the client team below have **been with the firm for more than ten years**. Assuming no changes in circumstances of the individual team members, the proposed service team below would serve the Organization for the entire period of proposed services.

### *Audit Team:*



- **Christopher A. Jones, CPA, Audit Partner**  
Joined the firm in July 2005  
Responsible for key decisions and signing report



- **Arlene Turley, CPA, Audit Manager**  
Joined the firm in January 2006  
Responsible for managing engagement and supervising personnel

Please also refer to **APPENDIX A** for the resumes of the proposed service team.





## TECHNOLOGY

Schmidt Westergard & Company has implemented a virtually paperless project process. As part of our ongoing effort to securely and efficiently exchange information and documents with our clients, Schmidt Westergard & Company utilizes Client Portal technology. Our portal can be used to upload documents to us via the web, retrieve documents from us via the web, and access your documents securely whenever the need arises. The portal is more secure than e-mail, as all communication between the portal and your computer is encrypted and accessed through your secure login.

In addition, we utilize ProSystem FX Engagement software to promote efficiency and achieve a virtually paperless audit process. With this technology, we are able to utilize word processing and spreadsheet capabilities to document and perform the audit more efficiently and utilize clients' schedules and documentation in electronic format.

## PEER REVIEW

Schmidt Westergard & Company is a long-time participant of the AICPA's peer review program. These peer reviews have consistently shown that we are committed to quality. Our most recent peer review report is attached as APPENDIX D.

## NON-DISCRIMINATION

Schmidt Westergard & Company is proud to be an equal opportunity employer, and we do not discriminate against any employee or applicant for employment because of age, race, religion, color, sex, physical condition, developmental disability, or national origin.

## LICENSING

Schmidt Westergard & Company is licensed by the Arizona State Board of Accountancy ("AZSBA"), which is located at 100 N. 15th Avenue, Suite 165, Phoenix, AZ 85007. To view the current status of our license to practice as certified public accountants, as well as the status of the licenses of the proposed leadership team listed above, please visit the "CPA Directory" section of the AZSBA website at [www.azaccountancy.gov](http://www.azaccountancy.gov).

Schmidt Westergard & Company does not have a record of substandard work with the AZSBA and the AZSBA has not taken any disciplinary actions against the firm. In addition, there are no pending complaints filed against the firm with the AZSBA.



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## AUDIT APPROACH



Schmidt Westergard & Company utilizes a risk-based audit approach. As part of this approach, we identify and focus on those areas that are, in our professional judgment, high-risk areas. Areas that we might identify as "high-risk" or that might require additional focus could include (but are not limited to):

- financial statement line items that are individually material to the financial statements (**for example, cash and cash equivalents, contributions receivable, investments, and property and equipment**);
- transactions that are inherently risky due to the nature of the accounts involved (**for example, accounts payable, accrued liabilities, recognition of revenue**);
- transactions for which the accounting is inherently complex (**for example, net asset transactions**);
- transactions and/or account balances that require significant estimates (**for example, allocation of functional expenses**);

In addition, in accordance with auditing standards generally accepted in the United States of America, as established by the AICPA, we incorporate an element of surprise into each audit.



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## COMMUNICATION PROCESS

We strive to make all phases of the audit - planning, fieldwork, and wrap-up - a collaborative process in which the organization is engaged. Our audit process also includes initial communication with the governing body of the organization, or its representative committee(s), to provide information on our audit plan and to open the door for two-way communication throughout the audit process. During audit fieldwork, we maintain a listing of open questions/requests and review them with the individual designated by management as the primary audit contact. If issues are identified or questions arise regarding accounting, financial reporting, or internal control processes, we believe that open communication and dialogue with organization management regarding the facts and circumstances surrounding the situation, including reference to any relevant authoritative literature, is the best approach.

Once audit fieldwork has concluded, a complete final review will be performed of the audit workpapers, ensuring that any outstanding questions or issues have been resolved and that testing and results are properly documented. We provide draft financial statements and drafts of any related reports to management for review and approval. Draft financial statements are also subjected to our firm's internal quality control process, which includes concurring review by a second partner.

At the conclusion of the audit, we generally schedule a closing meeting with management and the governing body, or its representative committee(s), to review the audit results, and discuss areas for future improvement.

Planning Phase		Fieldwork		Wrap-up	
Information on Audit Plan	Open the Door for Two-Way Communication	Open Questions/ Requests	Identify Issues or Questions	Review Audit Results	Discuss Areas for Future Improvement



## CLIENT REFERENCES

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### Arizona Humane Society

Linda Gentry, Accounting Manager  
1521 W. Dobbins Road  
Phoenix, AZ 85041  
(602) 997-7585



ARIZONA HUMANE SOCIETY

### Aster Aging, Inc. (subject to Single Audit)

Deborah Schaus, Chief Executive Officer  
45 W. University Drive  
Mesa, AZ 85201  
(480) 219-0616



### Institute for Supply Management

Debbie Fogel-Monnissen, Chief Financial Officer  
309 W. Elliot Rd., Ste 113  
Tempe, AZ 85284  
(480) 752-6276



### Homeward Bound

Becky Jackson, President & CEO  
2302 W. Colter Street  
Phoenix, AZ 85015  
(602) 263-7654

HOMEWARD BOUND



## REPRESENTATIVE NOT-FOR-PROFIT CLIENTS

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Alzheimer's Association – Desert Southwest Chapter

American Medical College of Homeopathy

Arizona Brainfood, Inc.

Arizona Humane Society

Arizona Museum for Youth Friends, Inc.

Arizona Zoological Society (Phoenix Zoo)

Aster Aging, Inc.

BBB of Central Arizona Foundation

BBB Serving Central, Northern & Western AZ

Beatitudes Campus

Beatitudes Foundation

Boyce Thompson Southwestern Arboretum

Cancer Support Community - Arizona

Canyon State Academy

Catholic School Service – East Valley

Child Crisis Center, East Valley, Inc.

Childsplay, Inc.

Cooley Charities, Inc.

Desert Botanical Garden, Inc.

Gene Lewis Boxing Club

Institute for Supply Management, Inc.

John C. Lincoln Health Network

John C. Lincoln Health Foundation

Legacy Traditional Charter School

Make a Wish Foundation

Marc Center of Mesa, Inc.

Maricopa County Community Development Agency

Mesa Arts & Entertainment Alliance, Inc.

Mesa Baseline Rotary Club & Foundation

Mesa Chamber of Commerce

Mesa United Way

National Association of Social Workers

National Kidney Foundation of Arizona

New Columbus

Paralyzed Veterans of America, AZ Chapter

Sharing Downs Syndrome Arizona

Soroptimist International of Mesa

Southwest Museum Foundation, Inc.

Southwest Shakespeare Company, Inc.

The ARC of Arizona, Inc.

The Salvation Army of Mesa and Phoenix

Tri-City Community Service Center

United Children's Network

Valle del Sol



## APPENDIX A – ENGAGEMENT TEAM

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### CHRISTOPHER A. JONES, CPA

*Audit Partner*

#### **Practice Emphasis**

Audit, review, and compilation of financial statements

#### **Areas of Expertise**

Not-for-Profit  
Single Audits  
Contractual adjustments  
Corporate financing  
Mergers and acquisitions

#### **Prior Professional Affiliation**

Regier Carr & Monroe, LLP

#### **Education**

B.S., Accounting,  
Northern Arizona University

#### **Professional Memberships**

American Institute of Certified Public Accountants  
Arizona Society of Certified Public Accountants  
Healthcare Financial Management Association  
BKR International – Medical Practices and Healthcare Committee

#### **Community Involvement**

Mesa United Way, Treasurer  
United Cerebral Palsy of Southern Arizona,  
Past Treasurer  
Boy Scouts of America

#### **E-mail**

[cjones@sw-cpa.com](mailto:cjones@sw-cpa.com)



### ARLENE TURLEY, CPA

*Audit Manager*

#### **Practice Emphasis**

Audit, review, and compilation of financial statements

#### **Areas of Expertise**

Not-for-profit  
Single audits  
Healthcare  
Manufacturing  
Technology

#### **Education**

Masters in Accounting and Professional Consulting  
Villanova University

B.S., Accounting,  
Northern Arizona University

#### **Professional Memberships**

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

#### **E-mail**

[aturley@sw-cpa.com](mailto:aturley@sw-cpa.com)



## APPENDIX B – PROPOSED SERVICES

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### ATTEST SERVICES

The Organization has requested a proposal for audit of the financial statements and we are pleased to provide a proposal for the following

- Audit of financial statements for the year ending June 30, 2021
- Audit of financial statements for the year ending June 30, 2022
- Audit of financial statements for the year ending June 30, 2023

#### Optional Extensions

- Audit of financial statements for the year ending June 30, 2024
- Audit of financial statements for the year ending June 30, 2025

The audits referred to above will be performed in accordance with auditing standards generally accepted in the United States of America. The objective of an audit is the expression of an opinion about whether your financial statements are fairly presented, in all materials respects, in conformity with accounting principles generally accepted in the United States of America. An audit included obtaining and documenting an understanding of your organization’s internal control and tests of your accounting records, including source documents

In addition, the Organization has requested that a compilation be performed on the Organization’s statement of revenue subject to program and support fee, as required by national, for the years indicated above. The compilation will be performed in accordance with statements on standards for accounting and review services promulgated by the accounting and review services committed by the AICPA.

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### PROPOSED TIMELINE

The following represents tentative timelines for the financial statement audits described above, **which can be adjusted earlier or later** to coordinate with the schedules of the Organization’s personnel and is based upon management providing information timely:





## APPENDIX C – PROPOSED FEES

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Our proposed fees for the engagement described above will be as follows for the years ending June 30, plus charges for out-of-pocket expenses:

	For the years ending June 30:				
				Optional Extensions:	
	2021	2022	2023	2024	2025
Financial statement audit	\$10,000	\$10,500	\$11,000	\$11,500	\$12,000

Our proposed fees are based upon our experience as accountants and on certain assumptions, including our expectation of your timely and careful preparation of all of the items requested in the “PBC” (prepared by client) schedule, anticipated cooperation from your personnel, and the assumption that unexpected circumstances will not be encountered during the engagement.

In general, our proposed fees above include responding to the occasional technical questions that arise during the course of a year, when such questions are relatively infrequent and involve minimal research/fact-gathering. For questions that require more significant research and analysis, we will discuss the nature of your questions with you, and we will estimate the amount of time required to research the question and the estimated billings for such assistance, if such time is requested.

**We know transitioning firms, or even considering a transition, is cumbersome and can be overwhelming. It shouldn't be, and we promise to make your change as smooth as possible. We hope our proposed timeline and willingness to work with you communicates our willingness and desire to become your partner. We sincerely appreciate the opportunity to present our proposal to you.**





## APPENDIX D – PEER REVIEW REPORT



ANDERSON ZURMUEHLEN & CO., P.C. • CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS  
MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

129 WEST PARK • SUITE 201 • P.O. BOX 748 • BUTTE, MONTANA 59703-0748  
TEL: 406.782.0451 • FAX: 406.782.1819 • WEB: AZWORLD.COM

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

To the Members  
Schmidt Westergard & Company, PLLC  
and the California Society of CPAs Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Schmidt Westergard & Company, PLLC (the firm) in effect for the year ended April 30, 2019. 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 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 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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with 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 the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included audit engagements performed in accordance with *Government Auditing Standards* and an audit conducted 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 Schmidt Westergard & Company, PLLC in effect for the year ended April 30, 2019, 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*. Schmidt Westergard & Company, PLLC has received a peer review rating of *pass*.

Butte, Montana  
August 23, 2019