

1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

July 16, 2018

To the City Council and Management  
City of Coolidge, Arizona  
130 West Central Avenue,  
Coolidge, AZ 85228

We are pleased to confirm our understanding of the services we are to provide for the City of Coolidge, Arizona.

We will examine the Annual Expenditure Limitation Report of the City of Coolidge, Arizona for the year ending June 30, 2018. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include tests of your records and other procedures we consider necessary to enable us to express an opinion as to whether your Annual Expenditure Limitation Report is presented, in all material respects, in conformity with the Arizona Uniform Expenditure Reporting System (UERS). If, for any reason, we are unable to complete the examination, we will not issue a report as a result of this engagement.

Our report will be limited for use by management, the City Council, and the Arizona Auditor General's Office in determining whether the City complied with State laws and regulations.

Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, fraud, or other violations of laws or regulations, that may exist.

We understand that you will provide us with the basic information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria or assist in the development of the subject matter, but the responsibility for the subject matter remains with you.

At the end of the engagement, we will require a representation letter from management.

The examination documentation for this engagement is the property of Colby & Powell, PLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain examination documentation available to state regulators pursuant to authority given to them by law or regulation. If requested, access to such attest documentation will be provided under the supervision of Colby & Powell, PLC personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected attest documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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 we 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.

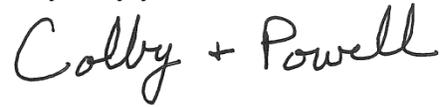
You are responsible for the presentation of Annual Expenditure Limitation Report in accordance with UERS; and for selecting the criteria and determining that such criteria are appropriate for your purposes. As part of the examination, we will assist with preparation of your Annual Expenditure Limitation Report. You will be required to acknowledge in the written representation letter our assistance with preparation of the Annual Expenditure Limitation Report and that you have reviewed and approved the Annual Expenditure Limitation Report prior to its issuance and have accepted responsibility for it. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

We expect to begin our examination on approximately September 25, 2018 and to issue our reports no later than December 31, 2018. Jim Usevitch is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fees for these services are included with our engagement to audit the financial statements of the City for the year ending June 30, 2018. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the examination. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Coolidge, Arizona 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 the enclosed copy and return it to us. Our examination engagement ends on delivery of our examination report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new,

specific engagement letter for that service.

Very truly yours,



Colby & Powell, PLC

---

---

**RESPONSE:**

This letter correctly sets forth the understanding of the City of Coolidge, Arizona.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_