

LARAMIE COUNTY CLERK BOARD OF COUNTY COMMISSIONERS AGENDA ITEM PROCESSING FORM

1. DATE OF PROPOSED ACTION: May 1, 2012

2. AGENDA ITEM: ☐ Appointments ☐ Bids/Purchases ☐ Claims

☐ Contracts/agreements/leases Grants ☐ Land Use: Variances/Board App/Plats

☐ Proclamations ☐ Public Hearings/Rules & Reg's ☐ Reports & Public Petitions

☐ Resolutions ☐ Other

3. DEPARTMENT: County Clerk

APPLICANT: Debbye Lathrop

AGENT:

4. DESCRIPTION: Consideration of responses to a request for proposals to complete capitalization of the buildings, infrastructure, and utilities constructed with specific purpose tax revenues at the Archer Complex and an operating cost allocation and analysis for water and sewer services.

Amount \$	From	To
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5. DOCUMENTATION: Originals and (4) four copies

<p><u>Commissioner</u></p> <p>Humphrey _____</p> <p>Thompson _____</p> <p>Woodhouse _____</p> <p>Action _____</p> <p>Postponed/Tabled _____</p>	<p><u>Clerks Use Only:</u></p>	<p><u>Signatures</u></p> <p>Co Attny _____</p> <p>Deputy Co Atty _____</p> <p>Outside Agency _____</p>
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COPY OF RECORD

Responses to Request for Accounting Services
May 1, 2012

The Laramie County Clerk's Office sent a request for proposal to provide professional accounting services for two projects related to the 2008 voter-approved Specific Purpose Optional Sales Tax projects at the Archer Complex. One project was to capitalize the buildings, roads, utilities and other infrastructure in accordance with accounting principles generally accepted in the United States; the second was to prepare recommendations on the ongoing operational costs of the water and sewer system and how costs should be allocated to various users of the system.

COMPANY	Capitalization	Utility Cost Allocation Minimum	Utility Cost Allocation Maximum	Total Project Minimum	Total Project Maximum
RLR, LLP	\$4800	\$300	\$2500	\$5100	\$7300
McGee, Hearne & Paiz					\$25,000
DAPCPA Pope & Jackson, Inc.				\$23,600	\$42,600



April 5, 2012

Mr. Robert (Bob) W. Cook, CPA
Accounting Manager
Deputy County Clerk
309 West 20th Street, Room 1530
Cheyenne, Wyoming 82003

Dear Bob,

Thank you for the opportunity to submit a proposal to perform an agreed upon procedures engagement for the Laramie County Clerk's office.

At RLR, LLP, we are proud of the exceptional level of service we are able to provide our clients. We believe exceptional service is defined by the establishment of superior working relationships with our clients that promote the highest levels of integrity, honesty and confidentiality. That's why we believe it is very important to get to know your people and your mission, so that we can best serve the Laramie County Clerk's office.

You will receive the utmost in a quality professional services team who are specially trained to add value to the professional services we provide by making observations and recommendations that will improve the operations and use of resources for your organization.

REQUEST FOR PROPOSAL

According to the terms of your request for proposal, Laramie County is requesting assistance with evaluating the costs associated with the Archer Complex and the Laramie County Juvenile Services Center at the Archer Complex. The County will require the final report to include a detailed list of individual capitalized assets, allocated costs and estimated useful lives for financial reporting purposes. In addition, Laramie County is requesting recommendations regarding ongoing operational costs of the water and sewer system and allocations to County Departments and other related organizations with operations in the Archer Complex. We envision the services you are requesting as two separate projects and thus, will present our approach and related fees separately.

QUALIFICATIONS

Our firm's focus is directed at small and midsize organizations, from new businesses and technologies, to mature businesses with successful operations as well as tax exempt and governmental organizations. We utilize our broad experiences with various industries including government contracts, construction, real estate, financial institutions, insurance companies, franchisors, manufacturers, professionals, and tax exempt entities to bring not only professional services necessary to comply with tax compliance reporting requirements, but ideas and assistance to develop other business aspects of your organization.

1620 Central Ave., Ste. 304
Cheyenne, Wyoming 82001
(307) 631-5598
(970) 692-5301 (fax)
www.rlrpcas.com

Fort Collins
(970) 692-5300

Greeley
(970) 304-9420

We are a regional niche CPA firm with offices in Cheyenne, Greeley and Fort Collins. Our partners and 17 team members specialize in providing professional audit, accounting and tax services to small business and tax exempt clients throughout Southeastern Wyoming and Northern Colorado. We bring the expertise and experience of a large national firm, yet provide the close personal relationship you expect from a small local firm. We believe in the value of relationships – it is our business. We view every client relationship like a partnership, and truly believe that our success is a result of your success. We take pride in giving you the assurance that the personal assistance you receive comes from years of advanced training, technical experience and financial acumen. Our continual investment of time and resources in professional continuing education, state-of-the-art computer technology and extensive business relationships is indicative of our commitment to excellence.

Rob Dickerson will be the client services partner and has overall responsibility for delivery of our professional services to your organization. Rob has primary responsibility for our Cheyenne office and providing professional services to our Wyoming clients. Rob is also the partner responsible for our firm's overall audit practice and monitoring our compliance with professional standards.

All of our professional staff and partners attend more than 40 hours of continuing professional education in accounting and tax topics annually, and those assigned to your engagement are "yellow book" qualified. RLR and our professionals assigned to your engagement are licensed to practice in Wyoming and we are current with all required licensing with the State of Wyoming Board of Certified Public Accountants.

Professional accounting and agreed upon procedure services may look alike on paper, but the reality is, the quality of the process, timeliness of services and suggestions to improve operational efficiency can vary among providers. For these reasons, it is important to engage a CPA firm that proactively approaches and understands your unique needs, listens to your concerns and is receptive to an open dialogue about your issues. We believe RLR is that firm.

AGREED UPON PROCEDURES ENGAGEMENT

We would propose an agreed upon procedures engagement to not only provide Laramie County with the allocation of costs for the Archer Complex and Juvenile Services Center as required, but a level of assurance that can be used by others, including your auditors, to substantiate the costs. An agreed upon procedures engagement is one where we are engaged by the Laramie County Clerk's office (the Clerk's office) to issue a report of findings based on specific procedures performed on specified subject matters. We perform agreed upon procedures engagements in accordance with the standards issued by the American Institute of Certified Public Accountants (AICPA). Although these are smaller scoped projects than what is required under an audit of your financial statements in accordance with accounting principles generally accepted in the United States of America, an agreed upon procedures engagement will offer you clear results of our procedures in accordance with our professional standards. While we will not be performing an audit of your financial statements, our procedures may be similar to procedures we would perform during a financial statement audit and would provide you with a level of assurance regarding the propriety of the asset classifications and costs to be included in your year-end financial report. We propose the attached schedule of procedures for your consideration. The attached procedures can be modified to meet your current needs. Final procedures would be discussed with you and approved prior to initiation of our work. Significant modification to the procedures could require an adjustment to the proposed fee.

WATER & SEWER COST ALLOCATION AND FEES

It is our understanding the County does not have a clear system to monitor either water usage or sewer usage at the Archer Complex. While monitoring system usage and developing an operating cost methodology and allocation method based on a metering system is most common, the lack of such systems will require another basis of measure and allocation of costs which may not be as reasonable or accurate as a metered system, especially as other facilities are constructed at the Archer Complex.

Our approach to providing the County with a cost allocation strategy could be based on other methodologies assuming the County does not initiate a metered system. Through discussions with the County on current usages at similar facilities and expected uses at new facilities, we can develop a basic system of allocations for the water and sewer systems at the Archer Complex.

Our engagements can be performed at a time that is convenient for you and our firm. Our initial proposal is to perform the procedures during July 2012, with final reports being delivered to you by August 15, 2012. By performing the procedures during this time frame, we can ensure that procedures cover the completed project costs as of the County's fiscal year end (June 30, 2012).

WHAT CAN YOU EXPECT FOR YOUR FEE?

- ◆ Agreed upon procedures and reports performed by a highly qualified team.
- ◆ Cost allocation methodology for water and sewer costs within the Archer Complex as it is currently constructed.
- ◆ An exit conference with the Laramie County Clerk's office to present the results of our procedures.
- ◆ Deliver to management completed reports summarizing the results of our procedures in bound format prior to August 15, 2012.

Our agreed upon procedures engagement will be conducted in accordance with the AICPA's Statements on Standards for Attestation Engagements. Our responsibility is to communicate our results and recommendations based on the performance of the agreed upon procedures in the attached schedule. We will not conduct an audit, the objective of which would be the expression of an opinion on the items of a financial statement.

Our fee for the engagements proposed as follows:

<u>Project</u>	<u>Proposed Fees</u>
Archer Complex & Juvenile Justice Facility cost allocation and Agreed Upon Procedures engagement	\$4,400 to \$4,800
Archer Complex water & sewer operating cost allocation and analysis	\$300 to \$2,500 *

* The final fee for the allocation and analysis of Archer Complex water & sewer operating costs will depend on the extent of the work to be performed, which we believe will first require our firm to obtain an understanding of how usage of the system is monitored, and also determine final capitalization values for the Archer Complex. If we are able to determine that an adequate system is in place to monitor the usage of the water and sewer system by each entity utilizing the system, or that the scope of our procedures will be limited to recommending that such a system be implemented, then we expect that our fee for this project will be toward the low end of the quoted range. In the event that the scope of this project will require our firm to prepare an analysis and calculation of allocated costs in accordance with a basis other than monitored usage, then we expect our fee for this project to be toward the high end of the quoted range.

For these fees we guarantee the timely completion and delivery of the results of our tests and report of our findings. Fees quoted do not include any additional time that may be required to reconcile the requested list of costs by contract to the general ledger of the Clerk's office. It is our understanding a list of contracts reconciled to the general ledger will be provided by your office.

If, upon commencement of the engagement, we find evidence that the Laramie County Clerk's financial records are not complete, we will notify you immediately. Billings will be made as fieldwork progresses, with the final billing due upon submission of the agreed upon procedures report and/or water and sewer costs analysis. Monthly billings will be due within 30 days of invoice date. The fees quoted previously are predicated on your assistance with locating documents, preparing requested schedules and generally having somebody available to assist our team upon our request.

PRIMARY CONTACTS

Rob Dickerson, CPA and Partner. A University of Wyoming graduate, Rob has extensive experience within a variety of industries including, construction, financial institutions, telecommunications, manufacturing, franchisors, not-for-profit organizations and governmental organizations. Rob was instrumental in providing assistance with the first Wyoming government agency to adopt Governmental Accounting Standards Board Statement No. 34 - the Wyoming Department of Transportation - and the subsequent adoption of Governmental Accounting Standards Board Statement No. 35 at the University of Wyoming. GASB 34 and 35 dramatically changed the reporting and presentation of infrastructure and capital assets for governmental entities. Rob attends more than 40 hours of continuing professional education in taxation and accounting topics every year. Rob is also experienced with providing specialized controller and chief financial officer services to clients who need a higher level of ongoing financial and business advice. Rob works closely with his clients to proactively guide them through the complex taxation, accounting issues and business concerns our clients face every day.

Joey Hoefler, CPA is the audit manager for the firm and will take the lead role in overseeing the day to day engagement services we will provide to the Laramie County Clerk's office. Joey has 9 years of audit and accounting experience and attends more than 40 hours of continuing professional education in audit and accounting topics. Joey is "yellow book" qualified and has extensive experience with governmental and other tax exempt organizations, as well as federal compliance auditing under OMB A-133. Joey's governmental audit and accounting experience includes audits of states, universities, various counties, cities and school districts, and other special districts and component units of governmental entities. Joey is a graduate of University of Wyoming and a member of the American Institute of Certified Public Accountants.

Larry West, CPA is a senior audit staff member of the firm and will serve as the in-charge accountant and perform the day to day engagement services we will provide to the Laramie County Clerk's office. Larry has over three years of auditing experience, over 11 years of high level accounting experience, and attends more than 40 hours of continuing professional education in audit and accounting topics. Larry is "yellow book" qualified and has extensive experience with governmental organizations. Larry's governmental accounting experience includes audits of states, universities, counties, cities, school districts and other special districts. Larry is a graduate of Regis University and a member of the American Institute of Certified Public Accountants.

SUMMARY

Our mission is to develop a proactive one on one relationship with each of our clients, tailored specifically to our unique client needs. One size does not fit all. We believe our approach to client services exceeds all others because of our unique, proactive approach to client service. We provide our clients superior professional services through the experiences and talents of a client service team developed specifically for your situation. Unlike other firms though, the client service partner is your primary contact and will lead the team in the services you need and will be directly involved as those services evolve.

We believe we can provide the Laramie County Clerk's office with agreed upon procedures services that will be beneficial to your organization. We spend a great deal of time each year in touch with our industry through literature and conferences focusing on recent and emerging issues. We are available throughout the year to advise and assist you in the ever-changing business environment. The size of our firm enables us to be flexible in our scheduling to allow for quick and efficient responses to your needs - proactively. We look forward visiting with further about our proposal and the services we may be able to provide.

Sincerely,



Robert Dickerson, Partner

ACCEPTED AND AGREED:

Laramie County Clerk

Signature

Date

Title

Schedule of Proposed Agreed Upon Procedures for the Archer Complex & Juvenile Justice Facility Cost Allocation and Agreed Upon Procedures Engagement

1. Obtain a complete schedule of final project cost totals, sorted by contract, for the Archer Complex project and the Juvenile Services Center project as of June 30, 2012. This schedule is to be prepared by the Laramie County Clerk's office.
2. Tour the Archer Complex and associated facilities and physically inspect capitalized assets in conjunction with schedule of capital assets produced in procedure #5
3. Review the contract documents for each contractor listed in the schedule provided by the Laramie County Clerk's office (as referenced in procedure #1), and determine the nature of services provided by the contractor.
4. Review the final certified contract billing invoice for each contract. Agree the total contract cost to the schedule provided by the Laramie County Clerk's office. Review each cost and determine costs to be capitalized, and non-capital costs in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board.
5. Prepare a schedule of capitalized assets including final values, depreciation methods and useful lives in accordance with GAAP, based on the results of procedure #3.

**Schedule of Proposed Consulting Services for the Archer Complex Water & Sewer
Operating Cost Allocation and Analysis**

1. Based on the work performed under our agreed upon procedures engagement and additional conversations with County personnel and inspection of the facilities, obtain an understanding of the planned utilization of the water and sewer system within the Archer Complex, to be used by various County Departments, Special Districts, Boards, and private enterprises or groups with the Complex.
2. Prepare a report with recommendations related to how costs could be allocated or charged to the various entities utilizing the system.



April 5, 2012

Robert W. Cook, CPA
Accounting Manager
Laramie County Clerk
309 West 20th Street, Room 1530
Cheyenne, Wyoming 82003

Dear Mr. Cook,

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the Laramie County Clerk.

We will apply the agreed-upon procedures which have been outlined in the attached Schedule of Proposed Agreed Upon Procedures for the Archer Complex & Juvenile Justice Facility Cost Allocation and Agreed Upon Procedures Engagement as of June 30, 2012. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination, we will not express an opinion. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

In addition, we will apply the consulting services procedures outlined in the attached Schedule of Proposed Consulting Services for the Archer Complex Water & Sewer Operating Cost Allocation and Analysis as of June 30, 2012.

We will submit two reports listing the procedures performed and our findings and recommendations. These reports are intended solely for the use of the Laramie County Clerk's office and its auditors, and should not be used by anyone other than these specified parties. Our reports will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We plan to begin our procedures in July 2012 and, unless unforeseeable problems are encountered, the engagement should be completed before August 15, 2012. At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the presentation of the information.

Our fees for the engagements is not to exceed \$4,800 for the Archer Complex & Juvenile Justice Facility cost allocation and Agreed Upon Procedures engagement, and will range from \$300 to \$2,500 for the Consulting Services for the Archer Complex Water & Sewer Operating Cost Allocation and Analysis. Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. 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 assist you 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. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of procedures.

Very truly yours,
RLR, LLP



Robert Dickerson, Partner

RESPONSE:

This letter correctly sets forth the understanding of the Laramie County Clerk.

Officer signature: _____

Title: _____

Date: _____

Schedule of Proposed Agreed Upon Procedures for the Archer Complex & Juvenile Justice Facility Cost Allocation and Agreed Upon Procedures Engagement

1. Obtain a complete schedule of final project cost totals, sorted by contract, for the Archer Complex project and the Juvenile Services Center project as of June 30, 2012. This schedule is to be prepared by the Laramie County Clerk's office.
2. Review the contract documents for each contractor listed in the schedule provided by the Laramie County Clerk's office (as referenced in procedure #1), and determine the nature of services provided by the contractor.
3. Review the final certified contract billing invoice for each contract. Agree the total contract cost to the schedule provided by the Laramie County Clerk's office. Review each cost and determine costs that are to be capitalized, and those costs that are to be expensed in accordance with accounting principles generally accepted in the United States of America (GAAP).
4. Prepare a schedule of capitalized assets including final values, depreciation methods and useful lives in accordance with GAAP, based on the results of procedure #3.
5. Tour the facilities and physically inspect capitalized assets, as determined by the schedule produced in procedure #4.

**Schedule of Proposed Consulting Services for the Archer Complex Water & Sewer
Operating Cost Allocation and Analysis**

1. Obtain an understanding of the usage of the water and sewer system within the Archer Complex, as utilized by various County Departments, Special Districts, Boards, and private enterprises or groups with the Complex.
2. Prepare a report with recommendations related to ongoing operational costs of the water and sewer system, including how costs should be allocated or charged to the various entities utilizing the system.

**Laramie County
Government**



**Laramie County Clerk
Debbye Lathrop**

May 3, 2012

Mr. Robert Dahill
McGee, Hearne and Paiz, LLB
314 W. 18th Street
Cheyenne, WY 82001

Re: Request for Proposal

Dear Mr. Dahill:

Thank you for submitting your proposal to complete the project of capitalization of all the newly constructed buildings, infrastructure, and other assets at the Archer Complex and recommendation on how to allocate costs to non-county government users of the water and sewer systems.

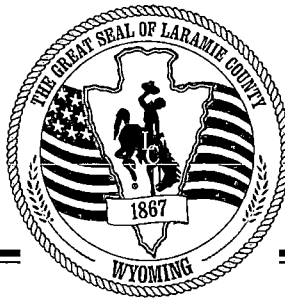
At their May 1, 2012 regular meeting the Laramie County Board of Commissioners considered the three proposals submitted and voted unanimously to accept the proposal from another respondent.

We appreciate your interest in serving Laramie County.

Sincerely,

Debbye Lathrop
Laramie County Clerk

**Laramie County
Government**



**Laramie County Clerk
*Debbye Lathrop***

May 3, 2012

Mr. David A. Pope, CPA
DAPCPA Pope & Jackson, Inc.
1712 Carey Avenue, Suite 100
Cheyenne, WY 82001

Re: Request for Proposal

Dear Mr. Pope:

Thank you for submitting your proposal to complete the project of capitalization of all the newly constructed buildings, infrastructure, and other assets at the Archer Complex and recommendation on how to allocate costs to non-county government users of the water and sewer systems.

At their May 1, 2012 regular meeting the Laramie County Board of Commissioners considered the three proposals submitted and voted unanimously to accept the proposal from another respondent.


We appreciate your interest in serving Laramie County.

Sincerely,


Debbye Lathrop
Laramie County Clerk

David A. Pope, CPA
Jonath A. Jackson, CPA

DAPCPA Pope & Jackson, Inc.
1712 Carey Avenue, Suite 100
Cheyenne, WY 82001
(307) 638-3170
info@dapcpa.org

 April 6, 2012

Laramie County Clerk
Attn: Bob Cook
309 West 20th Street
#1700
Cheyenne, WY 82003

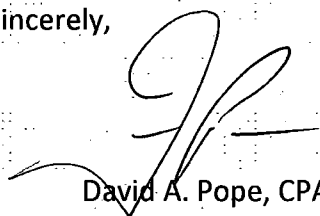
Mr. Cook,

Thank you for requesting a proposal of services from our firm. In response to your request, and in accordance with our discussion on Tuesday, we have prepared this proposal on the basis of a minimum and maximum range of fees for the quoted services. Our work will be billed at our hourly rates as work progresses, with the maximum fees for the project as disclosed.

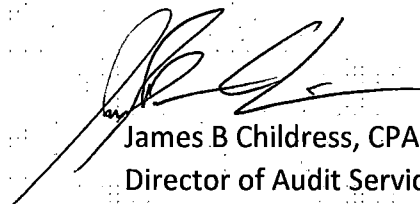
We anticipate being able to begin our work on approximately May 15, 2012. At that time, we would like to conduct initial discussions with your staff, introduce ours, and discuss documentation access, and other requests we may have of your office. We would anticipate receipt of all documentation required from your office by approximately June 4, 2012. At this time, we would begin testing and analysis, with our fieldwork hours dictated by your staffs schedule and project deadlines. We also anticipate a draft report being provided to your office by July 31, 2012, for your review and comment.

Please also review our attached engagement letter and resumes of our personnel. We are very appreciative of this opportunity to be of service to the County, and if we may help in any way during your selection process, please do not hesitate to contact us.

Sincerely,



David A. Pope, CPA
President/Managing Member




James B Childress, CPA
Director of Audit Services

DAPCPA 

David A. Pope, CPA
Jonath A. Jackson, CPA

DAPCPA Pope & Jackson, Inc.
1712 Carey Avenue, Suite 100
Cheyenne, WY 82001
(307) 638-3170
info@dapcpa.org

 April 6, 2012

Laramie County Clerk
Attn: Bob Cook
309 West 20th Street
#1700
Cheyenne, WY 82003

Mr. Cook,

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for Laramie County.

We will apply the agreed-upon procedures which Laramie County has specified, listed in the attached schedule, to the accounting books and records of Laramie County as of and for the period ended June 30, 2012 prepared in accordance with Generally Accepted Accounting Principles. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the attached schedule(2) do not constitute an examination, we will not express an opinion on Laramie County's financial statements. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

If, however, as a result of the procedures or through other means, matters come to our attention that cause us to believe that the financial statements of Laramie County are not presented in accordance with Generally Accepted Accounting Principles, we will disclose those matters in our report. Such disclosures, if any, may not necessarily include all matters which might have come to our attention had we performed additional procedures or an examination.



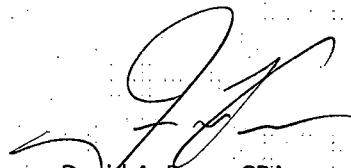
We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of Laramie County, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The attest documentation for this engagement is the property of David A. Pope, CPA PC and constitutes confidential information. However, we may be requested to make certain attest documentation available to your regulators or oversight agencies pursuant to authority given to it by law or regulation. If requested, access to such attest documentation will be provided under the supervision of David A. Pope, CPA PC personnel. Furthermore, upon request, we may provide copies of selected attest documentation to these agencies. The agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You are responsible for the presentation of the financial statements in accordance with Generally Accepted Accounting Principals; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, and/or experience to oversee the services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

We estimate that our fees for these services will range from \$23,600 to \$42,600, as further described in the attached Schedule 2. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. 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 will 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 expenditures through the date of termination.

Sincerely,



David A. Pope, CPA
President/Managing Member



Schedule 1

Agreed Upon Procedures

1. On or before August 15, 2012, we will prepare a report of all projects costs related to the Archer Complex and Laramie County Juvenile Services Center, with a detailed listing of individual capitalized assets, values, and estimated useful lives.
2. On or before August 15, 2012, we will prepare a separate report recommending how ongoing operational costs of the water and sewer system should be allocated or charged to County Departments, Special Districts, Boards, and private enterprises or groups hooked up to the system.



Schedule 2

	Minimum Hours					Minimum Fees	Maximum Fees
	ASO 65	STAFF 90	JBC 175	DAP 275	JJ 240		
Preparation of Engagement Binder	2	2				550	860
Workpaper and testing model development			8			1,400	1,750
Review of Contract documents			26			4,550	8,750
Individual transaction testing	10	77	31			13,000	26,065
Standards Research and program development			8	3		2,225	3,475
Preparation of Final Report			5	2		1,425	800
Final Presentation			1	1		450	900
	12	79	79	6	1	23,600.00	42,600.00

	Maximum Hours					Minimum Fees	Maximum Fees
	ASO 65	STAFF 90	JBC 175	DAP 275	JJ 240		
Preparation of Engagement Binder	4	4			1	550	860
Workpaper and testing model development			10			1,400	1,750
Review of Contract documents			50			4,550	8,750
Individual transaction testing	22	154	62			13,000	26,065
Standards Research and program development			12	5		2,225	3,475
Preparation of Final Report			3	1		1,425	800
Final Presentation			2	2		450	900
	26	158	139	8	1	23,600.00	42,600.00



Professional Service Team

The professional service team that DAPCPA Pope & Jackson, Inc. would assign to serve on the Meals on Wheels of Cheyenne, Inc. engagement is presented below.

Mr. David A. Pope, CPA: President and Managing Shareholder will be directly responsible for the effective and proper staffing on the engagement quality of the supervision and staff work, progress review of the work and timely completion of all activities. He will also provide all advice, answer all inquiries and be responsible for all ongoing customer service and additional advisory services to your business.

Mr. Pope graduated Magna Cum Laude from Regis University in Denver with his BS in accounting. He initially worked for the trust accounting department at Colorado National Bank and moved to Wyoming after completing two contracts as a consultant to the Resolution Trust Corporation in Denver. In Wyoming he worked for a tax attorney researching and preparing complex tax returns, preparing cases for presentment to the appeals office of the IRS and assisting clients in developing solid internal accountings systems.

Mr. Pope is a member of the American Institute of Certified Public Accountants, the Wyoming Society of Certified Public Accountants, and the Tax section of the American Institute of Certified Public Accountants and maintains his permit-to-practice through the Wyoming Board of Certified Public Accountants. His primary expertise is in the tax arena, but maintains a diverse practice in tax, technology, and entity consulting.

Jonath Jackson, CPA-Shareholder and Cheyenne Staff Manager: Mr. Jackson will be responsible for all operational details of the engagement. He will review all work delegated to staff-level accountants and bookkeepers and will prepare the compiled financial statements.

Mr. Jackson graduated in May of 2000 from Chadron State College in Nebraska and began working for this firm directly afterward. His clients include several businesses who are of a similar size to your organization, including several large non-profit organizations.

James Childress, CPA-Director of Audit Services: Mr. Childress graduated in 2002 from the University of Northern Colorado, Monfort College of Business with a BS in Accounting, Magna Cum Laude. Early in his career he was a staff auditor for a large Denver accounting firm, eventually starting his own accounting firm prior to joining the ranks at DAPCPA. His experience is quite broad from being a sole proprietor for five full years, and he prides himself on being able to spur on his clients development.

The remainder of our staff will support this engagement as necessary and will provide you with prompt, courteous service that will be designed to help you choose to remain with us for the entire period of the engagement.



Governmental Audit References:

Cheyenne Regional Airport Board

South Cheyenne Water and Sewer District

Wyoming Pipeline Authority

David Haring, Airport Manager
307-634-7071

Dena Hansen, Office Manager
307-635-5608

Carla Hubbard, Office Manager
307-237-5009



A Letter of Interest For:

**LARAMIE COUNTY
COST ALLOCATION PROJECT
FOR ARCHER COMPLEX AND
JUVENILE SERVICES CENTER**

Contact:
Robert W. Dahill, Partner
(307) 634-2151

MHP **McGee, Hearne & Paiz, LLP**
Certified Public Accountants and Consultants
314 West 18th Street, Cheyenne, Wyoming 82001-4404



April 6, 2012

Ms. Debbye Lathrop, Laramie County Clerk
309 West 20th Street
Cheyenne, Wyoming 82001

Re: Cost Allocation Project
Archer Complex and the Juvenile Services Center

Dear Ms. Lathrop:

McGee, Hearne & Paiz, LLP is pleased to submit this Letter of Interest regarding the cost allocation project for the Archer Complex and the Juvenile Services Center. We feel our past and present involvement with numerous cost segregation engagements along with performing audits for a number of diverse governmental entities makes us well qualified to work with Laramie County on this project.

WHO WE ARE AT MCGEE, HEARNE & PAIZ, LLP

McGee, Hearne & Paiz, LLP was formed September 1, 2000 when it purchased the existing Cheyenne practice of McGladrey & Pullen, LLP and RSM McGladrey, Inc. One of the largest CPA firms in Wyoming, McGee, Hearne & Paiz, LLP is a diversified practice conducted in Wyoming, Nebraska and Colorado. We currently provide a wide range of professional services in the State. We are continuing our relationship with McGladrey & Pullen, LLP ("McGladrey") through membership in the McGladrey Alliance. The McGladrey Alliance is the premier affiliation of U.S.-based independently-owned mid- to large-sized public accounting firms in the nation. McGladrey Alliance is a business of McGladrey which operates under the McGladrey brand as the fifth largest U.S. provider of assurance, tax and consulting services with nearly 6,500 professionals and associates in more than 70 offices nationwide. Our membership in the McGladrey Alliance provides our firm with access to the resources of a national accounting firm, while providing the service our clients expect from a locally owned and managed accounting firm.

In addition to audit and accounting services, McGee, Hearne & Paiz, LLP offers a wide array of professional services including tax preparation and planning, cost segregation, and information technology support. We serve more than 4,000 clients in Cheyenne and the surrounding area, including a number of governmental organizations. Our governmental clients include, but are not limited to, the City of Cheyenne Board of Public Utilities, City of Cheyenne, City of Rock Springs, Sweetwater County, Weld County of Colorado, and the State of Wyoming CAFR and Compliance audits. In addition, we have performed cost segregation studies that include, but are not limited to, Wyoming Bank & Trust, Spradley Motors, Emergency Medical Physicians, Cheyenne Women's Clinic, and Cheyenne Radiology Group.

314 West 18th Street
P.O. Box 1088 (Zip 82003-1088)
Cheyenne, Wyoming 82001-4404
(307) 634-2151
Fax: (307) 634-4939

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MCGLADREY ALLIANCE

 **McGladrey**

The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms.

The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

Technology today allows Laramie County ease in reviewing certain qualifications of your potential consultants. We invite you to research our standing with the following organizations:

- ❖ Wyoming Board of Certified Public Accountants – Visit their website at <http://cpaboard.state.wy.us> or contact Pamela Ivey, Executive Director, at (307) 777-7551.
- ❖ American Institute of Certified Public Accountants – Visit their website at <http://peerreview.aicpa.org/publicfile/DocDefault.aspx> and enter our Firm number 10149450. This website will also verify our membership in the AICPA's Peer Review Program (PRP), the Private Companies Practice Section (PCPS), the Employee Benefit Plan Audit Quality Center (EBPAQC), and the Governmental Audit Quality Center (GAQC).

SCOPE OF SERVICES

Based on your letter dated March 12, 2012 and our subsequent discussions on April 4, 2012, our understanding of the scope of work is the following:

Purpose: The purpose of our study is to allocate capital costs consistent with generally accepted government accounting standards. Property analysis detailing the cost allocation for project costs and for operating costs requires a clear understanding of accounting and engineering issues. Property analysis and the allocation of capital costs will include construction and related costs of four buildings and their contents (which includes the new Public Works Maintenance Facility, Juvenile Services Center, Shooting Sports Complex, and the County Administrative Building Housing, the Planning and Building Offices), as well as the surrounding infrastructure (roads, water/sewer systems (including the water tower, wells, and sewer lagoon) to support the Archer Complex. In conjunction with those building projects, we understand that we will be working with the records from the project development manager, Brian Piersall, in addition to the costs incurred from approximately 25 contractors.

Work Plan: In implementing the cost allocation project, our methodology will include, but not be limited to, the following:

- Obtain the final AIA documents for each of the primary contractors, contractors' final applications for payment (AIA G702 and G703).
- Obtain Master Plan documents for the Archer Complex and supporting documents.
- Obtain contracts, change orders, invoices and/or other documentation for all other project related services and costs above and beyond the primary contractors' costs (examples include architects, engineering fees, project manager costs, private vendors, etc.).

- Reconcile the costs between the AIA and other documents with costs paid by the County and recorded in the County's general ledger.
- Once the costs have been reconciled, we will review the AIA documents to identify the major components (i.e. building costs, infrastructure, HVAC, plumbing, electrical, built-ins) to be capitalized. In addition, we will allocate the indirect project costs to the identified components.
- Work with the County officials to determine if they wish for further breakdown of building components.
- After reaching an agreement regarding the components to be capitalized, we will estimate useful lives using the County's capitalization policy as a guideline and considering generally accepted governmental accounting standards.
- Within your request for letters of interest dated March 12, 2012, you have requested a separate report to recommend how ongoing operational costs of the water and sewer system should be allocated or charged to various parties using the systems. Based on our subsequent discussions with you, we note that the County currently is not fully aware of the current or projected use of the systems or the expected costs. Near the conclusion of our services, we will perform inquiries and make observations to accumulate information the County needs to further assess the need for operational cost allocations and charges, and make recommendations as appropriate.

We will consult with you throughout this engagement concerning all significant assumptions and conclusions. We will prepare a written report which describes the procedures we performed and presents schedules of the total cost basis of the property components and the proposed cost allocation plan for operating costs of the water and sewer systems.

Confirmation of the County's Responsibility and Timing of the Engagement: In order to accomplish the work plan in the most timely and efficient manner, we anticipate receiving the assistance of the County personnel in gathering the aforementioned AIA and other documents, as well as to perform the reconciliation of the cost documents to the general ledger. Based on our discussions with Robert Cook on April 4, 2012, the County believes that all projects will be completed by June 30, 2012. Therefore, we would like to begin the process of gathering and analyzing the information during the first part of June and to complete our analysis in late July through early August (after all costs have been finalized). This timetable would then allow us to meet the August 15, 2012 report delivery deadline. We will make every effort to minimize time requirements by maximizing the effective use of our personnel and utilizing your personnel whenever possible in order to render the highest quality service at the lowest possible cost.

PERSONNEL, TIME AND COST ESTIMATE

The contributions the key members of the team will make are described below. Complete resumes are also provided as an attachment to this letter of interest.

Engagement Partner

In his role as engagement partner, Robert W. Dahill will have ultimate responsibility for the overall quality of the engagement and will ensure required professional services are delivered in a timely and efficient manner. He will determine the content of our reports and be responsible for ascertaining that professional standards have been complied with throughout the engagement. Specifically, he will direct the activities of the engagement team, and review the results and conclusions.

Quality Control Partner

Pat McGuire will be responsible for performing a quality control review of the County's final report as part of our consulting process. Pat is a member of the Governmental Finance Officers Association special review committee. This committee is responsible for reviewing submissions for the Certificate of Achievement for Excellence in Financial Reporting.

Senior Manager

As senior manager responsible for the cost allocation and cost segregation projects for McGee, Hearne & Paiz, LLP, Earl King will utilize his extensive knowledge and experience to develop the plan and oversee the project.

Supervisor and Other Staff

As general services supervisor, Justin Davis will be in-charge of the day-to-day performance and conduct of the project. He will coordinate the activities of the other professional staff members assigned to the engagement, participate in planning and developing the overall approach and monitor all phases of the engagement to ensure timely completion. From our 63-member team at McGee, Hearne & Paiz, LLP, we will select other professional staff accountants to assist with the project. Their functions will include gathering data, preparing analyses and performing detail tests.

Estimated Time and Cost: Based on the above description of the project, we anticipate that we will utilize the above staffing to invest time into this project as follows:

Description of Work	Estimated Time
Planning: Initial client meetings, download electronic files and gather documents, determination of final work plan.	2 days
Project Analysis in early June: Review of initial documents and reconciliations, analysis of cost allocations, documentation, client meetings, etc.	1 week
Project Analysis in July through August: Review of final documents, final reconciliations, etc.	2 weeks
Quality control procedures, report preparation, final client meetings, and other wrap-up procedures.	3 days

We recognize that engaging an accounting firm to perform the cost allocation is an important *investment* for Laramie County. Our goal is to provide *timely and responsive services* at a reasonable cost. Our fees, like those of other professional service firms, are based on actual time spent by our people and are measured by standard hourly rates, reflecting the experience level of the professionals assigned to your account and project.

Based on our understanding of your organization and your requirements, we propose our fee not to exceed \$25,000. Due to the size of the project, which is estimated to exceed \$40 million, and the significant number of contractors and other associated costs to complete the project, it is difficult to accurately estimate the amount of time it would take to complete the cost segregation study. As a result, we have estimated on the higher end of the spectrum to cover any unforeseen or unexpected issues. *If our actual fees come in under the \$25,000 cap, we will bill you the lower amount.*

Should the scope of any of our services change significantly, we would meet with you to discuss and agree upon an adjustment in our fees to reflect such a change.

Throughout our relationship, we will commit a high degree of partner and manager resources, ensuring that we bring high value to your professional services by addressing issues in the early stages of our work.

In estimating our fees, we anticipate receiving the assistance from the appropriate personnel that will allow us to complete our work efficiently. As previously indicated, we will meet with you to discuss the assistance to be provided and the timing of when the assistance is to be provided. We anticipate that the appropriate personnel will provide supporting documentation and applicable reconciliations for all projects. We will make every effort to minimize time requirements by maximizing the effective use of our personnel and utilizing your personnel whenever possible in order to render the highest quality service at the lowest possible cost.

REFERENCES

• **Governmental Audit Engagements**

- City of Cheyenne Board of Public Utilities
 - *Mr. Tim Wilson (307) 637-6460*
- City of Cheyenne
 - *Ms. Lois Huff (307) 638-4382*
- State of Wyoming
 - *Mr. Tom Rowe (307) 777-6650*
- Sweetwater County
 - *Mr. Robb Slaughter (307) 872-6380*
- Weld County
 - *Ms. Barb Connolly (970) 356-4000 Ext. 4445*

- **Cost Segregation Engagements**

- Wyoming Bank & Trust
 - *Mr. Jeff Wallace (307) 632-7733*
- Spradley Motors
 - *Mr. Bob Womack (307) 638-3335*
- JR Properties, LLC (dba Cheyenne Women's Clinic)
 - *Dr. Jeff Storey (307) 7700*
- Cheyenne Radiology Group
 - *Dr. John Wright (307) 634-7711*

IN CONCLUSION

We at McGee, Hearne & Paiz, LLP are enthusiastic about the opportunity to serve as consultants to Laramie County. We believe that our combination of governmental accounting and cost segregation knowledge and experience, combined with our partner active practice philosophy, make our firm most qualified to meet your professional service requirements. We appreciate the investment you are making in us and, like your investment in us, we will invest considerable resources in order to deliver the high quality professional services you deserve.

We thank you for your consideration in allowing us to serve the County's consulting needs. Should there be any questions, please call us.

Sincerely,

McGEE, HEARNE & PAIZ, LLP

Robert Dahill, Partner

Earl King, Senior Manager



ROBERT W. DAHILL, CPA
PARTNER

Engagement Role	Engagement Partner
Education	<i>University of Wyoming</i> , Bachelor of Science Degree in Accounting
Continuing Professional Education	Robert has continued his professional education by attending seminars sponsored by McGladrey & Pullen, the AICPA and numerous state societies. Robert maintains sufficient continuing professional education to meet <i>Government Auditing Standards</i> requirements.
Relevant Experience	A <i>native of Casper, Wyoming</i> , Robert is licensed to practice as a CPA in Wyoming. He has continually practiced public accounting since 1990 when he joined our predecessor firm, McGladrey & Pullen, in Casper before joining the Cheyenne office in 1997. He is responsible for providing attestation, tax, compliance, and advisory services to governmental, not-for-profit and commercial entities as well as individuals in Wyoming and Colorado.
Skill Areas	Governmental, not-for-profit, and commercial audits, reviews, and compilations, with particular emphasis on those audits performed in accordance with the Yellow Book and OMB Circular A-133.
Representative Clients Served	<ul style="list-style-type: none"> • State of Wyoming: <ul style="list-style-type: none"> - Statewide Single Audit - Comprehensive Annual Financial Report • Wyoming Clean and Drinking Water State Revolving Funds • City of Rock Springs, Wyoming • Solutions for Life (Douglas) • Diversified Services, Inc. (Torrington) • Town of Deaver, Wyoming • Town of Pine Bluffs, Wyoming • Sweetwater County, Wyoming • Sweetwater County Improvement Projects Joint Powers Board • Weld County, Colorado • Wyoming Legislative Service Office
Professional Affiliations & Certifications	<ul style="list-style-type: none"> • American Institute of Certified Public Accountants • Wyoming and Colorado Society of Certified Public Accountants • Leadership Cheyenne 2002 Program Graduate • Cheyenne Kiwanis Club



PATRICK C. MCGUIRE, CPA

PARTNER / QUALITY CONTROL SPECIALIST

Engagement Role	Quality Control Report Review Partner
Education	Minnesota State University, Mankato, Bachelor of Science Degree in Accounting
Continuing Professional Education	Pat has continued his professional education by attending seminars sponsored by McGladrey & Pullen, the AICPA and numerous state societies. Pat maintains sufficient continuing professional education to meet <i>Government Auditing Standards</i> requirements.
Relevant Experience	Pat is a general service partner licensed to practice as a CPA in Wyoming. He provides audit, accounting, business consulting and tax advice to businesses and individuals in varied industries. He has extensive experience in serving state and local governmental units. His primary responsibility is for quality control over accounting services. Pat has practiced public accounting since 1971 when he joined the predecessor firm, Broeker Hendrickson & Co.
Skill Areas	Quality Control Specialist for audits, A-133 compliance audits, reviews, agreed upon procedures and compilations. GAQC designated partner, responsible for the quality of McGee, Hearne, & Paiz, LLP's governmental audit practice.
Representative Clients Served	<ul style="list-style-type: none"> • University of Wyoming Research Corporation <p>Pat does a <i>Quality Control Review</i> on every governmental audit in the Firm. He also performs quality control reviews for other CPA firms.</p>
Professional Affiliations & Certifications	<ul style="list-style-type: none"> • American Institute of Certified Public Accountants • Wyoming Society of Certified Public Accountants • Wyoming State Board of Certified Public Accountants • Member of the Special Review Committee of the Government Finance Officers Association, GFOA, that awards Certificates of Achievement for Excellence in Financial Reporting • Pat serves on the Board of the American Cancer Society, Great West Division • Cheyenne Kiwanis Club



EARL P. KING, CPA
SENIOR MANAGER

Engagement Role	Engagement Senior Manager
Education	<i>Colorado State University</i> , Bachelor of Science Degree in Accounting
Continuing Professional Education	Earl has continued his professional education by attending seminars sponsored by McGladrey & Pullen, the AICPA and numerous state societies. He attends approximately 60 hours per year of seminars and various conferences, including numerous courses pertaining to all areas of taxation.
Relevant Experience	Earl is licensed to practice as a CPA in Wyoming. He is experienced in a broad range of industries such as not-for-profit organizations, governmental entities and various commercial enterprises. He has extensive experience in auditing all areas of the various organizations.
Skill Areas	Cost allocation projects, taxation of various business entities, C-corporations, Sub-chapter S corporations, partnership and limited liability corporations. Earl also has experience in estate and gift tax planning engagements for various individuals.
Representative Clients Served	Earl provides extensive tax planning, review and advisory services to numerous clients of McGee, Hearne & Paiz, LLP.
Professional Affiliations & Certifications	<ul style="list-style-type: none">• American Institute of Certified Public Accountants• Wyoming Society of Certified Public Accountants



JUSTIN DAVIS, CPA
SUPERVISOR

Engagement Role	Engagement Supervisor
Education	<i>Brigham Young University, Master's Degree in Accounting</i>
Continuing Professional Education	Justin continues his professional education by attending programs sponsored by McGladrey & Pullen, LLP, various state societies, the American Institute of Certified Public Accountants, through self-study, and maintains sufficient continuing professional education to meet <i>Government Auditing Standards</i> requirements.
Relevant Experience	Justin is licensed to practice as a CPA in Wyoming. He joined McGee, Hearne & Paiz, LLP in 2008 after working for an accounting firm in Las Vegas, NV for two years, and he worked in private industry for a natural gas utility for two years. He is specialized in a broad range of audit engagements including governmental entities, educational institutions, foundations, not-for-profit organizations and commercial entities. He has conducted audit engagements, and served as manager on several smaller audit and review engagements, supervised other staff members and provided client assistance. During Justin's time at MHP, he has also served as in-charge on several first year audits including Weld County, Colorado; Community Action of Laramie County, and Legal Aid of Wyoming.
Skill Areas	Audits, A-133 Compliance Audits, Reviews, Agreed Upon Procedures, Internal Controls, Process Efficiencies, Quality Assurance and Procedure Development
Representative Clients Served	<ul style="list-style-type: none">• State of Wyoming• City of Rock Springs, Wyoming• Weld County, Colorado• Taco Johns International• Community Action of Laramie County
Professional Affiliations & Certifications	<ul style="list-style-type: none">• American Institute of Certified Public Accountants• Wyoming Society of Certified Public Accountants