

**Pendleton School District
Pendleton, Oregon**

**Financial Statement Audit Proposal
For the year ended
June 30, 2018**

**Proposal Submitted By Cockburn & McClintock, LLC
116 Southeast Second Street
P.O. Box 1579
Pendleton, Oregon 97801
(541) 276-3521**

**Contact: Christopher J. Cockburn, CPA Partner
Submitted May 12, 2017**

**Pendleton School District
Pendleton, Oregon**

June 30, 2018

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Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

CHRISTOPHER J. COCKBURN, CPA
KYLIE M. MCCLINTOCK, CPA

DARLENE R. WILSON, CPA

116 SOUTHEAST SECOND STREET
P.O. BOX 1579
PENDLETON, OREGON 97801
(541) 276-3521, FAX (541) 276-3545

MEMBERSHIPS

AMERICAN INSTITUTE OF CPA'S
OREGON SOCIETY OF CPA'S
AICPA - PRIVATE COMPANIES PRACTICE SECTION

May 12, 2017

Pendleton School District
Attn: Michelle Jones
Pendleton, Oregon 97801

RE: Audit Services for Pendleton School District

Thank you for considering our firm for the audit of Pendleton School District for the years ended June 30, 2018-2020.

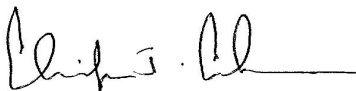
The individual representing our firm will be Christopher J. Cockburn, Partner. You can contact him at P.O. Box 1579, Pendleton, Oregon 97801 or by phone at (541) 276-3521.

This proposal presents information about our firm, our proposed approach to your audit and our fee. We hope this information will be of assistance in comparing proposals. If there are any questions, please do not hesitate to contact us.

Again, thank you for considering our firm and we look forward to hearing from you.

Sincerely,

COCKBURN & MCCLINTOCK, LLC



Christopher J. Cockburn, CPA

The Firm - Cockburn & McClintock, LLC

Cockburn & McClintock, LLC, was established by James Witherell in Pendleton, in 1926. Although the business name has changed several times during the years, the firm has always been known for providing competent, quality service. We have remained a local accounting firm to provide the highest quality, yet personalized service.

Audits, reviews, and compilations of municipalities, not-for-profits, and commercial entities are a major part of our practice and we strive to keep pace with the many reporting changes and technical requirements. We have established and continue to maintain the professional expertise necessary to perform these audits. Our firm has three Certified Public Accountants, all of which are licensed municipal auditors in the State of Oregon.

Services to Oregon Municipalities and Special Districts

During the past year, we have provided compilation, review, and audit services to the following municipal entities and school districts:

<u>Cities</u>	<u>School Districts</u>	<u>Other/Special Districts</u>
Boardman	Ione	Lower McKay Water Control District
Helix	Helix	Helix Parks and Recreation District
Long Creek	Milton-Freewater	E. Umatilla Co. Rural Fire Protection District
Ione	Pilot Rock	Riverside Rural Fire Protection District
Weston	Umatilla	Riverside Mission Water Control District
Adams	Athena-Weston	Lower McKay Rural Fire District
Stanfield	Pendleton	
Ukiah	Stanfield	
Athena	Echo	
	Ukiah	
	Long Creek	
	Nixyaawii Community School	

Organization, Size, and Structure-Licensed Members

The firm, Cockburn & McClintock, LLC, CPA's, consists of two owners, one professional staff member, two staff accountants, one bookkeeper, and a receptionist. As stated before, all professionals are certified public accountants and licensed municipal auditors. The following are brief resumes of the licensed staff that will be assigned to your engagement:

Christopher J. Cockburn, CPA - Owner

Mr. Cockburn is a member of the Oregon State Society of Certified Public Accountants and the American Institute of Certified Public Accountants. He is a graduate of Linfield College.

Mr. Cockburn's experience includes two and one half years with an international accounting firm in Portland and twenty three years with Cockburn & McClintock, LLC. He is an Eastern Oregon native, raised in Milton-Freewater. Mr. Cockburn's audit, review, and compilation engagement

Organization, Size, and Structure - Continued

Christopher J. Cockburn, CPA – Owner (Continued)

experience includes financial, retail, real estate, employee benefit plan, non-profit and municipal organizations and is a licensed municipal auditor.

Mr. Cockburn's civic activities include sitting on the board of directors of the St. Anthony Hospital Foundation and Happy Canyon Foundation. He is also a past Happy Canyon board member (President 2011) and a past director with the Pendleton Chamber of Commerce (President 2003), Pendleton Country Club, Pat Gillette Memorial Scholarship Fund, and remains involved with numerous other local civic and charitable organizations.

Kylie M. McClintock, CPA - Owner

Mrs. McClintock's experience includes nine years at Cockburn & McClintock, LLC performing engagements for non-profit and municipal organizations. Prior to Cockburn & McClintock, LLC, she worked at a community bank. She is a graduate of the University of Phoenix, a Certified Public Accountant and licensed to practice as a municipal auditor in the State of Oregon.

Mrs. McClintock's civic activities include sitting on the board of directors (currently Treasurer) for Altrusa International and she also sits on the board of directors (currently Treasurer) for Wheatstock, a benefit concert in Helix, Oregon.

Darlene R. Wilson, CPA

Mrs. Wilson is a member of the Oregon and Society of Certified Public Accountants and the American Institute of Certified Public Accountants. She is a graduate of Linfield College.

Mrs. Wilson's experience includes two summers as an intern at Cockburn & McClintock, LLC, two and one half years with a regional accounting firm in Spokane, and now six years with Cockburn & McClintock, LLC. She is an Eastern Oregon native, raised in Weston. Mrs. Wilson's audit, review, and compilation engagement experience includes financial, retail, construction, manufacturing, telecommunications, casinos and tribal governments, non-profits, and municipal organizations. She is currently working towards obtaining her municipal auditors license.

Mrs. Wilson's civic activities include sitting on the board of directors and volunteering for Oregon Camp Cedarbrook, volunteering for both the Pendleton Round-Up and Happy Canyon, and volunteering for Weston's youth group and her church.

Continuing Education and Industry Training

The firm has maintained its knowledge in the industry by requiring continuing professional education. Each staff member is required to complete 80 hours of accounting and auditing continuing education every two years, with 24 of those hours specifically related to governmental engagements.

As required by professional standards, all firms performing audit services must have by the end of 1992, a Quality Control Audit, or audit, by an independent firm. In spring of 2015, we were audited by a firm hired through the Oregon Society of CPA's. We received a rating of *PASS* on this peer review, which is the highest possible rating, and a copy of that report is attached.

Staff Qualifications and Audit Team Composition

Kylie M. McClintock, Darlene R. Wilson and our staff accountants will perform the bulk of your audit and at least one licensed individual will be present for each day of fieldwork procedures. Christopher J. Cockburn will perform work in the planning, fieldwork and wrap-up areas of the audit but will not be present during a good portion of the fieldwork phase.

Each team member is experienced in all phases of the municipal audit process; from planning, to fieldwork testing and compliance auditing, to report preparation and presentation to the governing body. This experience base has allowed our firm to achieve certain audit efficiencies that allow us to conduct municipal audits in a timely, concise manner that are cost effective.

The Pendleton School District will benefit from the firm of Cockburn & McClintock, LLC, CPA's by receiving an objective analysis of your financial statements by accountants who have knowledge and expertise in that area. We have the resources and education necessary to provide audit and other professional services that your District may require.

Proposed Fee - Details

Fees for our services are based on the time required to complete our assignment, plus out-of-pocket expenses. This proposal will present fees for a three-year contract. A three-year contract will be structured as such to allow release of either party upon 90 day written notice.

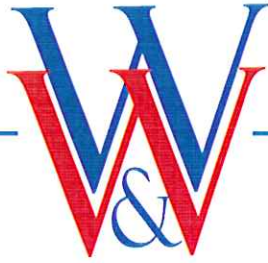
Fees for our audit services will be as follows:

<u>June 30</u>		<u>Base Audit Fee</u>	<u>Cost of Living Increase</u>		<u>Total Fee</u>
2018	\$	32,650	0%	\$	32,650
2019		32,650	3%		33,630
2020		33,630	3%		34,650

The above fees estimates incorporate an audit performed in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, compliance with The Uniform Guidance (federal compliance audit) and the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

This bid is based on the records of the Pendleton School District being reconciled and balanced at June 30, 2018. This bid also assumes that District personnel will furnish us with all requested information, refile that information, and be available for inquiries through the audit engagement.

Should unusual or unanticipated circumstances arise during the audit, we will inform management, in writing, of these circumstances and any expected additional costs.



WALL & WALL, PC Certified Public Accountants

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System Review Report

March 25, 2015

To the Members of
Cockburn & McClintock LLC
and the Peer Review Committee of the Oregon Society of CPA

We have reviewed the system of quality control for the accounting and auditing practice of Cockburn & McClintock LLC (the firm) in effect for the year ended September 30, 2014. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Cockburn & McClintock LLC in effect for the year ended September 30, 2014, 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*. Cockburn & McClintock LLC has received a peer review rating of *pass*.

Wall & Wall P.C. CPA's

Wall & Wall, P.C., Certified Public Accountants