

**AUDIT PROPOSAL**  
**Pelican Isle Owners Association**  
**1015 SE CR 3300**  
**Kerens, TX 75144**  
**For the Year Ending December 31, 2012**

**SUBMITTED BY:**

**TONJA BARNEBEE, CPA, PC**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**CERTIFIED FORENSIC ACCOUNTANT**  
**900 W. ENNIS AVE, STE 103**  
**ENNIS, TX 75119**  
**(972) 875-9900**

**DATE:**  
**November 7, 2013**

# TONJA BARNEBEE CPA, PC

Certified Public Accountant  
Certified Forensic Accountant  
900 W. Ennis Ave. #103  
Ennis, TX 75119

Phone: 972-875-9900

Fax: 972-875-9981

November 7, 2013

Pelican Isle Owners Association  
1015 SE CR 3300  
Kerens, TX 75144

RE: Request for Proposal

My team and I are pleased to respond to the above referenced request for audit services. If selected, my firm will audit the financial statements of the Pelican Isle Owners Association as of and for the year ended December 31, 2012 in accordance with the information detailed in your proposal.

The firm may be contacted by email at [tonjamb@sbcglobal.net](mailto:tonjamb@sbcglobal.net)

If selected, my team and I will prepare an engagement letter detailing the terms of my engagement.

Please call with any questions regarding the proposal.

  
Tonja Barnebee, CPA, PC

## Executive Summary

The objective of my audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles of the United States of America. My audit will be conducted in accordance with generally accepted auditing standards of the United States of America and will include tests of your accounting records and other procedures I consider necessary to enable me to express such an opinion.

My audit will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions, that is, significant deficiencies in the design or operation of internal control. However, during the audit, if I become aware of such reportable conditions, I will communicate them to you.

While I will be available to advise you in preparing the financial statements, Pelican Isle Owners Association is ultimately responsible for the fair presentation of the financial statements, and ensuring that the financial statements render a full and proper account of the activities of the Association. The Association further acknowledges that it is responsible for ensuring that its funds are handled properly and in compliance with laws and regulations, but also for achieving the purposes for which the funds were authorized.

Tonja Barnebee, CPA, PC, accepts responsibility for ensuring that the audit is conducted by personnel who collectively have the necessary skill, that independence is maintained, that applicable standards are followed in conducting the audit, that the firm has an appropriate internal quality control system in place, and maintains participation in an external quality control review program.

My services will also include issuing a management letter, as necessary, oriented to constructive improvements for future operation of the Pelican Isle Owners Association. All services quoted are in full accord with the proposal specifications.

## Proposal Content

My firm's approach to performing an annual audit includes an audit plan based on my evaluation of the Association's internal control system. I use a risk based approach, determining my procedures based upon the assessment of the various types of risks associated with the entity. Upon completion of the initial risk assessments, I perform expenditure tests and confirm significant balances. I also perform procedures to aid in the assessment of risk associated with fraud. The timing of my procedures would begin upon notification that the Association's books and records are ready for audit. In the case of a multi-year audit, my approach differs somewhat due to the consideration of maintaining an element of unpredictability within my procedures. I would perform a mix of alternate procedures in future years to provide for unpredictability in my audits. In the case of a client that utilizes QuickBooks software, various reports are printed and analyzed to audit automated systems.

With respect to the Pelican Isle Owners Association, my firm is independent and the members of the audit team of my firm have no relationships that would preclude the firm from maintaining its independence.

## Background Information

### Management Component

Tonja Barnebee, CPA, PC is a member of the external quality control review program of the American Institute of Certified Public Accountants, and have participated in the program since inception. My last peer review was in 2013.

Tonja Barnebee, CPA, PC is a professional corporation licensed under the laws of the State of Texas. I am located at 900 W. Ennis Ave., Ste: 103 in Ennis, Texas. I am a local firm, providing various services to my clients, including those of audit and attestation, review, compilation, tax and consulting.

Listed below are some governmental/non-profit entities audited by Tonja Barnebee, CPA, PC, during the past year. A complete list is available upon request.

Government /Non-Profit Organizations

Contact

Kerens Independent School District

Kim (903) 396-2924

Rice Independent School District

Rhonda (903) 326-4287

Corsicana – Chamber of Commerce

Paul (903) 874-4731

Tonja Barnebee, CPA, PC has not ever had a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of any other state.

Personnel directly responsible for the audit will include:

**Audit Staff**

Tonja Barnebee, CPA, Cr.FA who has 24 years of auditing experience,  
Education-BBA-Dallas Baptist University  
Memberships include American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants and American College of Forensic Examiners.

Amanda Sanchez, who has 2 years of accounting experience and office management with small sized company.  
Education - currently attending Navarro College.

**Support Staff**

Lori Alfaro

Allison Slovak

The lead auditor, responsible for planning, directing, and conducting substantial portions of the field work or reporting on this audit engagement will be Tonja Barnebee, CPA, Cr.FA. Other members of the team will be rotated as necessary to provide the best mix of audit experience to the Association. I do not anticipate the use of any outside specialists.

I have a system of quality control for my accounting and auditing practice that requires of my staff a minimum of 20 hours per year and a total of 80 hours every two years of continuing professional education that directly enhances the auditor's professional proficiency to perform audits and/or attestation engagements. Additionally, for all staff responsible for planning, directing and conducting substantial portions of the fieldwork, or reporting on this audit engagement, the firm requires that 24 of the 80 hours be in subjects directly related to the government environment and to government auditing. All members of the audit team are subject to and have met these requirements for 2013. Collectively, continuing education courses in the following governmental audit areas were taken by audit personnel in 2012 and 2013:

Financial Statement Disclosures  
Audits of Texas School Districts  
Fraud Considerations  
Governmental Auditing Update  
Audit Documentation

Governmental & Nonprofit Update  
Gov. Auditing Standards-Yellow Book  
Workpaper Techniques  
Governmental Accounting & Reporting

All professional personnel to be assigned to the audit have experience in public accounting and in governmental/nonprofit accounting and auditing. My firm has performed Single Audits since the inception of the Single Audit Act. My firm has experience with Texas School District, Governmental and nonprofit auditing, and I have experience with federal financial aid programs.

My understanding is that the Pelican Isle Owners Association personnel will prepare bank reconciliation for all cash accounts and provide detailed schedules of accounts receivable, accounts payable, and fixed assets as of and for the year ended December 31, 2012 if necessary. I will ask the Pelican Isle Owners Association personnel to prepare schedules of other account balances as necessary to facilitate execution of the audit procedures. I will also ask personnel to provide assistance with supporting documentation requests and questions.

### Task/Activity Plan

I expect to begin field work November 21 or 25, 2013 and issue my report no later than December 31, 2013. Staff assignments are detailed in the Management Component items.

### Fees

The following is an outline of my fees for the audit of the Pelican Isle Owners Association:

Year ended December 31, 2012	\$3,500.00
------------------------------	------------

The fee includes 5 copies of my audit report.