

# Imagine

What we can do together

Heinfeld, Meech & Co., P.C. is an Arizona based CPA firm and we are recognized leaders in the State of Arizona in the field of school accounting and auditing. Our firm provides services to over 80% of Arizona's Average Daily Membership – more than any other accounting firm.

Nationally recognized in the "Best Small Companies to Work for in America" list, our core purpose is to be the best at everything we do. Since we opened our firm in 1986, providing quality service to governmental and non-profit clients has been our primary objective.

Our dedicated top-quality talent and substantial resources ensure that we stay abreast of emerging issues to serve our clients better. We remain dedicated to our Firm philosophy of "clients first."

*Imagine What We Can Do Together* is a quick-read digest of information that brings valuable news to you and your organization. If at any time you would like additional information, please contact us to discuss your questions.

For more about Heinfeld, Meech & Co., P.C., please visit our web site at [www.heinfeldmeech.com](http://www.heinfeldmeech.com).



HEINFELD, MEECH & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

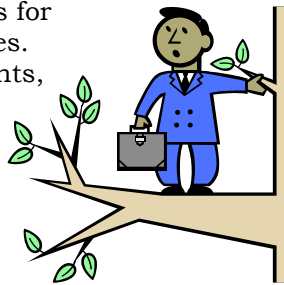
Tucson ♦ Phoenix ♦ Flagstaff

[www.heinfeldmeech.com](http://www.heinfeldmeech.com)

[info@heinfeldmeech.com](mailto:info@heinfeldmeech.com)

## Assessing Your Internal Controls

For the past five years there has been much attention and discussion on the internal control framework and the effectiveness of internal controls for public companies. Local governments, such as cities and school districts, now appear to be the recipients of similar attention on internal controls which was previously reserved for the private sector. Management in any organization, whether a public company, nonprofit, or government, is responsible for the design and effectiveness of the internal controls of the organization. The commonly accepted "standard" for an internal control framework is that issued by the Committee of Sponsoring Organizations (COSO) in 1992. This framework includes the following five components.



- *Information and communication systems* – How information is identified, captured, and exchanged.
- *Control activities* – The policies and procedures that help ensure that management directives are carried out.
- *Monitoring* – The process of assessing the quality of internal control performance over time.

Management's assessment and documentation of the above internal control components provides an understanding of the internal control framework, assurances of its strengths, and notice of its weaknesses to an organization's stakeholders (the citizenry in the case of a local government).

*(Continued on page 2)*

### November 2007

Copper Cactus Award .....	2
New Year Reminders.....	2
Just Ask H&M.....	2
HMU Workshops .....	3
Upcoming Deadlines.....	4

## Assessing Internal Controls (Cont'd from page 1)

In addition, as the elements of Sarbanes-Oxley become more common in the governmental sector, management's documentation assessment of internal control may become a required reporting item similar to the requirement for the private sector.

If you are interested in obtaining additional information on how your district may begin the process of assessing and documenting its internal control framework, please contact:


Scott Kies, Partner  
(602) 277-9449, ext 308  
[scottk@heinfeldmeech.com](mailto:scottk@heinfeldmeech.com)

Melissa Higdon  
Consulting Manager  
(602) 277-9449, ext 327  
[melissah@heinfeldmeech.com](mailto:melissah@heinfeldmeech.com)

## H&M Wins 2007 Wells Fargo Copper Cactus Award for Best Place to Work

Heinfeld, Meech & Co., P.C. was announced as the winner of the Wells Fargo Copper Cactus Award for Best Place to Work (31-75 employees) last night. The Copper Cactus Awards, celebrating their 10th anniversary this year, honor the accomplishments of small businesses in Southern Arizona. The award program's mission is to honor the most exceptional local small businesses and to encourage all businesses to foster a better working environment and more competitive workplace in Southern Arizona. The Best Place to Work award specifically honors businesses that encourage growth, education and development for their employees through the workplace environment or employee benefits.

This award, along with the firm being named 4th Best Small Company to Work for in America, further affirms the firm's commitment to excellence in human resources and management practices and pays tribute to each of our employees' dedication to making H&M a great place to work.


More information on the awards can be found at [www.coppercactusawards.com](http://www.coppercactusawards.com). 

## New Year Planning Reminders


**1099's:** As the calendar year end begins to approach, here are a few reminders for 1099 preparation:

- *Nonemployee* individuals and *unincorporated* businesses providing **services** of \$600 or more in a calendar year should receive a Form 1099-MISC.
- If the vendor is an individual, report the individual's name & SSN. If the vendor is a sole proprietor, report the individual's name (not the business name) and either the SSN or the sole proprietorship's EIN. If the vendor is a partnership or other entity, report the business name and EIN.
- Form 1099-Copy B must be furnished to vendors by January 31, and Copy A must be furnished to the IRS by February 29.

**Bond Disclosure:** Continuing bond disclosure is **required** by the SEC for any government issuing bonds of \$10,000,000 or more after 7/3/94. This disclosure supplies the secondary market for government bonds with information on which to base their purchases. **The deadline for disclosures is usually February 1.** *Please note that governments do not need to submit their **audited** financial statements by their deadline (e.g., February 1).* Instead, they may file the AFR before the deadline as long as the audited financial statements are submitted to the repositories *no later than 30 days after they are received.*

Instead of filing directly with the NRMSIRs and SIDs, you may utilize an Internet-based electronic filing system to upload documents. This "central post office" is located at [www.DisclosureUSA.org](http://www.DisclosureUSA.org) and there is no fee for electronic filings. For more information, visit the SEC website at: [www.sec.gov/info/municipal/discfiletips.htm](http://www.sec.gov/info/municipal/discfiletips.htm) 

## Just Ask H&M

- Q: How can I obtain Attorney General's Opinions that are older than the ones listed on the Attorney General's web site?
- A: All Attorney General's Opinions are maintained by the Solicitor General's Office of the Attorney General's Office. The old Opinions not listed on the web site will be emailed to you upon request. Simply call (602) 542-3333. 

## H&M University Workshops

Information on the following workshops, including links to online registration, can be found at [www.heinfeldmeech.com/hmu](http://www.heinfeldmeech.com/hmu). For more help, contact [hmu@heinfeldmeech.com](mailto:hmu@heinfeldmeech.com) or 520-742-2611, x107.

### Are You in Compliance with the Fair Labor Standards Act (FLSA)?

Vail (Tucson area): Tues., January 22

Mesa (Phoenix area): Wed., January 23

Topics will include: FLSA classifications, FLSA requirements, case studies, and non-exempt/exempt staff.

### Best Practices for Payroll and Employee Benefits

Vail (Tucson area): Mon., February 11

Phoenix: Tues., February 12

### Budgeting

Mesa (Phoenix area): Tues., March 4

Vail (Tucson area): Wed., March 5

### Procurement

Vail (Tucson area): Tues., April 8

Mesa (Phoenix area): Wed., April 9

### School District Client Conference

Mesa (Phoenix area): Fri., May 2

Registration is limited to current clients of H&M. Topics will address new and upcoming audit and accounting issues.

### Bringing HMU to your District:

Are you interested in bringing one of our workshops to your District? To find out more about holding a training for your District's personnel or hosting a regional workshop, contact us at 520-742-2611, ext 133 or [info@heinfeldmeech.com](mailto:info@heinfeldmeech.com).

## Welcome to Our New Clients!


H&M welcomes our new audit clients:

Arizona Business & Education Coalition

Greyhills Academy High School

La Paz County

Maricopa Unified School District

We are excited that you have chosen H&M and look forward to helping you achieve new levels of accounting and managerial success! 

## H&M Practice Aids

### Procedural Review

Do your current accounting procedures prevent misappropriations and ensure efficient operations? We can work with your personnel to develop a customized procedural handbook to help tighten your entity's internal control.

### Guidance for Parent/Community Support Groups

Do your parent and community support groups understand accounting procedures and internal controls? Our firm can provide training or other assistance to the responsible parties in charge of these groups understand the proper procedures to help ensure compliance.

### Job Descriptions

How outdated are your job descriptions? We can prepare a complete set of job descriptions for all District personnel that will take into account technology changes and funding agency mandates while ensuring format consistency and job title relevancy.

### Financial Reporting

Is your District ready to prepare its financial statements? Legislation requires audits for all Districts with operating budgets of \$700,000 or more. We can help your District prepare for an upcoming audit by compiling the District's financial data into audit-ready financial statements or a Comprehensive Annual Financial Report (CAFR).

For more information on these services, contact:

Scott W. Kies, Partner

602-277-9449, ext. 308

[scottk@heinfeldmeech.com](mailto:scottk@heinfeldmeech.com) 

## Heinfeld, Meech & Co., P.C. News

**CPA Successes:** Congratulations to **Johnny Kim**, Staff Auditor II, for the recent achievement of his CPA. Congratulations also to staff auditors **Anne Ortiz** and **Dena Darpli** for their recent successful completion of all four parts of the CPA exam.

## Puzzler

Decipher the hidden meaning: (Answer on p. 4)

**SOME**THING

## Upcoming Deadlines for Schools

<u>Due Date</u>	<u>Item</u>
November 15	Annual audit reports due to the Arizona State Board for Charter Schools (Charters requiring Single Audits may apply for an extension to March 31 <sup>st</sup> ) The AFR (or summary) must be published or mailed to each household (A.R.S. §15-904) (Districts) Districts may apply to the State Board of Education for approval or reapproval for a career ladder program. (Annual reapproval required.) (Districts)
November 18	End of cash management reporting period for all Federal projects.
December 5	Copy of the revised expenditure budget and a notice of the public hearing must be published (or at least 10 days before meeting). (Districts)
December 8	Special Education Census report due to ADE (Charters)
December 15	The publisher's affidavit of publication for the AFR must be filed with the Superintendent of Public Instruction (or no later than 30 days after publication). (Districts) Revised expenditure budget must be presented at a public meeting. For grants received from ADE, districts should submit a cash management report to ADE for each special project with a budget of \$10,000 or more. Charter schools should submit English Language Learner program participation transactions to ADE.
December 18	End of cash management reporting period for all Federal projects. Revised expenditure budget must be filed with the county school superintendent. (Districts)
December 31	Comprehensive Annual Financial Reports (CAFRs) due to ASBO International and GFOA for Certificate of Excellence awards
January 1	Districts participating in an accommodation school agreement must remit tuition payments to the county school superintendent for accommodation school special education program costs.
January 18	End of cash management period for all Federal projects
January 31	Schools and districts must furnish each employee with a completed Form W-2 and certain nonemployee payees a completed Form 1099 for the calendar year ended 12/31/06. (See article on page 2.) Contribution and Wage Report (Form UC-018) and State Unemployment Compensation Fund contributions/payments must be submitted to AZ Department of Economic Security (A.A.C. R6-3-1704.B)

## Upcoming Southern Arizona School Business Officials Meetings

<u>Date</u>	<u>Hosted By</u>	<u>Partner District</u>
Jan. 18	Sunnyside Unified	Safford Unified
Feb. 15	Tanque Verde	Altar Valley Unified
March 14	Amphitheater Unified	The Trust
April TBD	AASBO	
May 16	Marana Unified	Mammoth-San Manuel

All SASBO meetings begin at 11 a.m. For more information about upcoming meetings, please contact John Filippelli at 520-762-2040 or [filippellij@vail.k12.az.us](mailto:filippellij@vail.k12.az.us).

Answer to Puzzler (Page 3):  
"The start of something big"