



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

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

October 20, 2014

Honorable Members of
the Holbrook City Council

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Holbrook, Arizona, as of and for the year ended June 30, 2014. Professional standards require that we provide information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 20, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Holbrook, Arizona are described in Note 1 to the financial statements. GASB 65 was implemented by the City for the fiscal year ending June 30, 2014. Further information regarding their impact on the City's financial statements can be found in Note 1 to the financial statements.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are shown in attached management representation letter.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, there were no such consultations with other accountants.

Audit Adjustments

Attached is a list of material audit adjustments that were brought to the attention of management as a result of audit procedures.

Uncorrected Misstatements

There were no uncorrected misstatements, other than those that we believe were trivial to the financial statements as a whole.

Other Audit Findings or Issues

Included in our audit report issued in accordance with *Government Auditing Standards* is the Schedule of Findings and Responses. Please consult the report issued as well as the schedule for further details.

This information is intended solely for the use of City Council and management and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to provide our services to the City of Holbrook, Arizona and please contact us if you have any questions or comments regarding this letter.

A handwritten signature in cursive script that reads "Colby & Powell". The signature is written in black ink and is positioned below the main body of text.

Attachments