

Erickson & Brooks
CERTIFIED PUBLIC ACCOUNTANTS

Agenda Item # 16
Date 11/17/21

STEVEN E. PRIBNOW
DANIEL J. WIESEN
KENT P. SPEICHER

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November 4, 2021

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DODGE COUNTY CLERK

To the Board of Supervisors of
Dodge County
Fremont, Nebraska

We are pleased to confirm our understanding of the services we are to provide Dodge County for the year ended June 30, 2021. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Dodge County as of and for the year ended June 30, 2021. The County prepares its financial statements in accordance with the cash basis of accounting.

The financial statements referred to above will include only the primary government of Dodge County, Nebraska, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements will not include the financial data for the County's legally separate component unit, the Fremont Health Community Resources, which will be audited by other auditors who will issue a separate report thereon.

We have also been engaged to report on supplementary information that accompanies Dodge County, Nebraska's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Schedule of Expenditures of Federal Awards
2. Budgetary comparison schedules – cash basis – major and nonmajor funds
3. Statement of receipts, disbursements and changes in fund balance – budget and actual – cash basis for the general fund
4. Combining statement of receipts, disbursements and changes in fund balances – cash basis – special revenue funds
5. Statement of receipts, disbursements and changes in fund balance – cash basis – debt service fund
6. Schedule of assets and liabilities – County Treasurer's agency funds
7. Schedules of accountability for individual offices

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information:

1. Comparative analysis of tax certified, corrections and collections for the past five years

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting and to report on the fairness of the

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supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on –

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of Dodge County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste or abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Dodge County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Dodge County's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the

compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Dodge County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes and data collection form of Dodge County in conformity with the cash basis of accounting and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes and data collection form services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with the cash basis of accounting; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documents, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting Dodge County involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting Dodge County received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that Dodge County complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely

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and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on November 30, 2021.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for including all informative disclosures that are appropriate for the cash basis of accounting. Those disclosures will include (1) a description of the cash basis of accounting, including a summary of significant accounting policies, and how the cash basis of accounting differs from GAAP; (2) informative disclosures similar to those required by GAAP; and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and data collection form, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes, and data collection form, and that you

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have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes, and data collection form prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of these services; and accept responsibility for them.

Engagement Administration, Fees and Other

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to Dodge County; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Erickson & Brooks and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Nebraska State Auditor of Public Accounts or its designee, a federal agency providing direct or indirect funding, or the U. S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Erickson & Brooks personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Nebraska State Auditor of Public Accounts. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit the week of November 17, 2021 and to issue our reports no later than January 31, 2022. Kent Speicher is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

To ensure that Erickson & Brooks' independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

If the financial statements with which we are associated, or any portion thereof, are to be published or otherwise reproduced, printer's proofs or masters are to be submitted to us for review before printing or other reproduction.

Our fee for these services will be based on the personnel performing such services, and other appropriate factors, plus direct expenses. Our rates vary according to the degree of responsibility involved and skills required. However, our fee is outlined in our audit transmittal letter dated September 30, 2021. Invoices for services are due when rendered.

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Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2018 peer review report accompanies this letter.

We look forward to providing the services described in this letter, as well as other accounting services agreeable to us both. In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, we both recognize that the matter will probably involve complex business or accounting issues that would be decided most equitably to us both by a judge hearing the evidence without a jury. Accordingly, you and we agree to waive any right to a trial by jury in any actions, proceeding or counterclaim arising out of or relating to our services and fees for this engagement.

We appreciate the opportunity to be of service to Dodge County 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.

Very truly yours,

ERICKSON & BROOKS



RESPONSE:

This letter correctly sets forth the understanding of Dodge County.

Management signature:

By: _____
Title: County Clerk

Governance Signature:

By: _____
Title: Board Chairperson

Proposal for

Audit of the Financial Statements
of
Dodge County, Nebraska

For the years ended June 30, 2021, 2022 and 2023

Proposal submitted by

Erickson & Brooks
Certified Public Accountants
2195 North Broad Street
Fremont, Nebraska 68025
721-3454

Person to contact

Kent P. Speicher

Submitted on

September 30, 2021

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Erickson & Brooks

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN E. PRIBNOW
DANIEL J. WIESEN
KENT P. SPEICHER

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FREMONT, NEBRASKA 68026-1270

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Dodge County Board of Supervisors
Fremont, Nebraska

Gentlemen:

Thank you for inviting Erickson & Brooks to submit a proposal to serve the auditing needs of Dodge County, Nebraska.

We propose to audit the financial statements of Dodge County, Nebraska as of June 30, 2021, 2022, and 2023. Our audit of the financial statements for the years ended June 30, 2021, 2022, and 2023 will be made in accordance with U. S. generally accepted governmental auditing standards; the standards for financial audits contained in the *Government Auditing Standards*, issued by the Controller General of the United States, and if a Single Audit; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations and the Compliance Supplement, when applicable, and all applicable requirements of the Auditor of Public Accounts, and accordingly, will include such tests of the accounting records and other procedures we consider necessary to enable us to express unmodified opinions that the financial statements are fairly presented, in all material respects, in conformity with the cash basis of accounting and to report on the County's compliance with laws and regulations and its internal controls as required by *Government Auditing Standards* and, if applicable, by the Uniform Guidance.

If we are selected as auditors of Dodge County, Nebraska, upon acceptance of the engagement, we will meet with you at your earliest convenience to arrange for fieldwork to begin. This will give us an opportunity to complete the year-end audit as expeditiously as possible. At that time, we will also submit to you a definitive engagement letter.

The objective of our engagement is the completion of an audit of the financial statements referred to above and upon its completion and subject to its findings, the expression of an opinion on such financial statements. An audit made in accordance with auditing standards generally accepted in the United States of America is subject to certain limitations and the inherent risk that material errors, or fraud, if they exist, will not be detected. However, if, during the course of our audit, we become aware of such errors or fraud, we will bring them to your attention. Should you then wish us to expand our normal auditing procedures; we will be pleased to work with you on developing a separate engagement for that purpose.

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We will meet with the Finance Committee of the County Board of Supervisors and provide preliminary and final reports as requested. A management letter will be provided regarding our audit findings and recommendations. We anticipate presenting our final report to the Finance Committee in November or earlier each year, with the exception for the June 30, 2021 audit which we would expect to complete no later than January due to the later start date.

It is our expectation that our fee for the engagement will be \$98,700 for the three-year period beginning with fiscal year 2021 and ending with fiscal year 2023. If a Single Audit is required our fees would be increased by \$5,600 - \$6,200 annually as noted in the schedule of proposed auditor compensation. In arriving at the fee, we have taken into consideration your assurance that the County's accounting department will be available to pull and reproduce documents and that the County's personnel will provide timely information to allow us to complete our audit fieldwork by the end of September each year with the exception for the June 30, 2021 year end which won't be started until November.

The proposed engagement includes only those services specifically described in this letter. Any additional accounting, bookkeeping or management advisory services which are outside the scope of this audit and mutually agreed upon will be billed to you separately. This includes additional audit procedures in any of the County Official's offices, like the County Assessor office, where any additional procedures would be undertaken upon developing a separate engagement at your request.

We are confident that Erickson & Brooks can meet your needs. Included in this proposal you will find specific and detailed information about our particular qualifications to serve Dodge County, Nebraska.

Please contact Kent Speicher if additional information is needed on which to base your decision. Mr. Speicher is a partner of the firm and is authorized to make representations for Erickson & Brooks and is authorized to bind the firm.

We look forward to hearing from you and welcome the opportunity to serve Dodge County, Nebraska.

Very truly yours,

ERICKSON & BROOKS



Kent P. Speicher, Partner

Profile of Erickson & Brooks

Our firm was founded in 1946 in Fremont, Nebraska.

Erickson & Brooks has evolved into an aggressive firm of Certified Public Accountants. We offer traditional CPA services – accounting, auditing, tax and management advisory services, as well as a number of specialized services – estate planning, data processing, assistance with sales and acquisitions of businesses, monthly financial services, and all phases of taxation.

We are a local, one office firm located at 2195 North Broad Street, Fremont, Nebraska. Our staff consists of three partners, two senior accountants, five staff accountants, and a clerical staff of two. We have a total of seven CPAs with active permits.

In order to provide professional audit services to our clients in an economical, yet professional manner, we use auditing techniques best suited to each individual client. We perform risk assessments of the various audit areas and, based upon the results of these assessments, we expand audit procedures to those areas where risk is the highest. We have comprehensive audit software and current technical updating services to keep us abreast of the latest auditing and accounting developments. As a part of our audit service, we will develop ideas and recommendations for ways to improve your operations and internal controls. Our staff accountants' education background includes the area of computer applications useful in the audit of computerized systems.

We currently serve many organizations in Dodge County and the surrounding area. We voluntarily belong to committees of the Nebraska Society of CPAs. We have participated in the Positive Enforcement Program of peer review of our practice sponsored by the Nebraska Society of CPAs. We are a member of the private companies practice section of the American Institute of CPAs and have successfully completed a peer review of our practice in conjunction with that membership, which qualified us to perform governmental audits under the *Government Auditing Standards*. A copy of our most recent review report is attached. Our firm has not experienced any disciplinary actions from either the AICPA or the State of Nebraska Board of Public Accountancy.

We are qualified, available, and eager to serve your accounting and auditing needs.

Summary of Qualifications

Erickson & Brooks is entitled to practice as a partnership of Certified Public Accountants pursuant to a permit to practice number 51834 issued by the State of Nebraska Board of Public Accountancy.

In accordance with the American Institute of Certified Public Accountants Professional Standards (AU543.11) and the General Accounting Office Government Auditing Standards, issued by the Comptroller General of the United States, our firm is independent of Dodge County, Fremont, Nebraska, regarding an audit of their financial statements.

The staff members to be assigned to the Dodge County, Nebraska, audit are detailed below. Resumes of the partner and senior accountant are provided under Exhibit A.

Kent P. Speicher	Partner-in-charge and responsible for all operational aspects of the audit.
Lisa K. Braasch	Senior accountant responsibilities include supervision of staff accountants conducting the engagement.
Trevor Logeman	Staff accountant performing the various audit procedures as prescribed by Senior Accountant and Partner-in-charge.

Our firm involvement in governmental accounting dates back to the mid 1950s when state and federal regulations and financing obligations placed increased financial reporting requirements on the municipalities. We have provided accounting, auditing, and management advisory service needs of our clients to meet these requirements placed upon them. Kent Speicher has been involved in all aspects of municipal auditing at the staff accountant, senior accountant and partner levels.

Lisa Braasch is a senior member of our firm primarily responsible for many of the municipal clients of our firm. Her experience includes governmental accounting and auditing, preparation of budgets, and compliance audits for various regulatory agencies. We currently serve several municipalities and various other political subdivisions in Nebraska. Our experience in prior years also includes annual audits of Dodge County.

Seminars offered by the Nebraska State Auditor and the Nebraska Society of CPAs are attended annually to assist our staff in keeping abreast of current regulations and trends in municipal accounting and auditing, including Single Audits under the Uniform Guidance.

References are available upon request.

Schedule of Proposed Auditor Compensation

The total estimated hours projected for the audit of Dodge County, Nebraska is 320 for an audit under *Government Auditing Standards* and an additional 50 hours would be required for a Single Audit under the Uniform Guidance. The following is a detailed schedule of the proposed compensation at our discounted rates for these services.

	<u>Projected Hours</u>	<u>Discounted Hourly Rate</u>	<u>Without Single Audit Projected Fee</u>	<u>Single Audit Projected Fee</u>	<u>Total Projected Fee</u>
Staff Accountants	80	57.00	\$ 4,560.00	\$ 285.00	\$ 4,845.00
Senior Accountant	225	107.00	24,075.00	4,850.00	28,925.00
Partners	15	114.00	1,710.00	225.00	1,935.00
Office costs, typing, etc.			<u>955.00</u>	<u>240.00</u>	<u>1,195.00</u>
Proposed fee for the year ended June 30, 2020			\$ 31,300.00	\$ 5,600.00	\$ 36,900.00
Initial first year			<u>2,600.00</u>	<u>0.00</u>	<u>2,600.00</u>
			33,900.00	5,600.00	39,500.00
2022 (5% increase)			32,900.00	5,900.00	38,800.00
2023 (5% increase)			<u>34,500.00</u>	<u>6,200.00</u>	<u>40,700.00</u>
Total for three years			<u>\$101,300.00</u>	<u>\$17,700.00</u>	<u>\$119,000.00</u>

EXHIBIT A

Resumes of Erickson & Brooks Staff:

Kent P. Speicher

Partner

Lisa K. Braasch

Senior Accountant

EXHIBIT A
(continued)

PERSONAL

Name - Kent P. Speicher
Address - 3119 Deer Pointe Drive
Fremont, Nebraska

EDUCATION

University of Nebraska, Lincoln, Nebraska. Graduated December, 1982 with a Bachelor of Science Degree, with a major in accounting. Business courses taken included 36 hours of accounting (including Government Fund Accounting). Received certification as a Certified Public Accountant September 20, 1985

EMPLOYMENT

Erickson & Brooks, Fremont, Nebraska
January, 1986 to present.

Duties: Accounting and Auditing Partner.

Experience: Auditing entities using fund accounting included villages, cities, counties, school districts, public utilities, and charitable organizations. Experience includes for profit entities, tax preparation services, and various consultation services ranging from accounting software to budget preparation and tax planning services.

Dana F. Cole & Company, Lincoln, Nebraska
January, 1983 to December 1985.

Duties: Senior Accountant, including auditing, tax preparation and supervision and control over microcomputers.

Experience: Auditing entities using fund accounting including villages, school districts, public utilities and charitable organizations.

CONTINUING EDUCATION (recent)

Nebraska Governmental Accounting & Auditing Conference
National Government & Nonprofit Training Program
Various in-house accounting, auditing and tax update seminars

EXHIBIT A
(continued)

PERSONAL

Name - Lisa K. Braasch
Address - 708 Heatherwood Street
Fremont, Nebraska

EDUCATION

University of Nebraska, Kearney, Nebraska. Graduated May, 1983 with a Bachelor of Science Degree, with a major in accounting and finance. Business courses taken included 36 hours of accounting (including Government Fund Accounting). Received certification as a Certified Public Accountant March 14, 1984.

EMPLOYMENT

Erickson & Brooks, Fremont, Nebraska
October, 1996 to present.

Duties: Senior accountant, including auditing, tax preparation and accounting services.
Experience: Auditing entities using fund accounting including villages, school districts, and charitable organizations. Duties include budget preparation and consultation on various municipalities.

Ramaekers, McPherron & Skiles, P.C., North Platte, Nebraska
November, 1990 to September, 1996.

Duties: Senior accountant, including auditing, tax preparation and accounting services.
Experience: Auditing entities using fund accounting including villages, cities, counties, and charitable organizations.

Countryman & Associates, P.C., Grand Island, Nebraska
April, 1985 to October, 1990.

Duties: Senior accountant, including auditing, tax preparation and accounting services.
Experience: Auditing entities using fund accounting including villages, cities, counties, school districts, public utilities, and charitable organizations.

Patout & Company, P.C., Navasota, Texas
July, 1983 to April, 1985.

Duties: Staff accountant, including auditing, tax preparation and accounting services.
Experience: Auditing entities using fund accounting including cities, school districts and public utilities and charitable organizations.

CONTINUING EDUCATION (recent)

Nebraska Governmental Accounting & Auditing Conference
Generally Accepted Auditing Standards from A to Z
Various in-house accounting, auditing and tax update seminars



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

August 17, 2018

To the Partners of
Erickson and Brooks
and the Peer Review Committee of the Nevada Society
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Erickson and Brooks (the firm) in effect for the year ended April 30, 2018. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Erickson and Brooks in effect for the year ended April 30, 2018, 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*. Erickson and Brooks has received a peer review rating of *pass*.

Brady Martz and Associates, P.C.