

Agenda Item # 156
Date 5/29/24

Erickson & Brooks
CERTIFIED PUBLIC ACCOUNTANTS

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

2195 NORTH BROAD STREET
P.O. BOX 1270
FREMONT, NEBRASKA 68026-1270

(402) 721-3454
FAX (402) 721-2894
eb-cpa.com

May 29, 2024

Dodge County Board of Supervisors
Fremont, Nebraska 68025

Dear Board Members,

Attached is a proposed schedule for the audit services for Dodge County for the fiscal years ending June 30, 2024 through 2026. We have included a breakdown between an audit under *Government Auditing Standards* and a Single Audit under the Uniform Guidance. We suspect that the County will be required to have a Single Audit performed annually due to the amount of ARPA funds the County has received and ongoing federal programs. Please note that we have shown separate fees for performing the Single Audit under the Uniform Guidance in later years, if the single audit requirement would change.

Cheryl Pester will continue to be the staff member in charge of the County audit, specifically the single audit, and should also be able to answer any questions.

I have also enclosed an engagement letter for just the June 30, 2024 audit under *Government Auditing Standards* and a Single Audit under the Uniform Guidance. This is just a one-year engagement if you wanted to postpone the 3 year engagement until next year.

Please let us know if any questions.

Very truly yours,

ERICKSON & BROOKS


Kent Speicher

Encl.

Proposal for

Audit of the Financial Statements
of
Dodge County, Nebraska

For the years ended June 30, 2024, 2025 and 2026

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

May 29, 2024

I-N-D-E-X

	<u>Page</u>
Proposal Letter	1-2
Profile of Erickson & Brooks	3
Summary of Qualifications	4
Schedule of Proposed Auditor Compensation	5
2021 Peer Review Report	

Erickson & Brooks
CERTIFIED PUBLIC ACCOUNTANTS

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

P.O. BOX 1270
FREMONT, NEBRASKA 68026-1270

(402) 721-3454
Fax (402) 721-2894
eb-cpa.com

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, 2024, 2025, and 2026. Our audit of the financial statements for the years ended June 30, 2024, 2025, and 2026 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.

Erickson & Brooks

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 December or earlier each year.

It is our expectation that our fee for the engagement will be \$114,100 for the three-year period beginning with fiscal year 2024 and ending with fiscal year 2026. If a Single Audit is required our fees would be increased by \$6,300 - \$6,900 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.

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, 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, a manager, a senior accountant, five full-time staff accountants, and a full-time clerical staff of two. We have a total of six 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 60601 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.

Kent P. Speicher	Partner-in-charge responsible for final review and all operational aspects of the audit.
Cheryl Pester	Senior accountant responsibilities include single audit procedures and supervision of staff accountants conducting the engagement.
Emily Pernicek and Quentin Ternus	Staff accountant performing the various audit procedures as prescribed by the 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.

Cheryl Pester 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. She has performed single audits under the Uniform Guidance. 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 314 for an audit under *Government Auditing Standards* and an additional 44 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 Proposed Fee</u>
Staff Accountants	170	90.00	\$ 15,300.00	\$ 0.00	\$ 15,300.00
Senior Accountant	150	128.00	14,060.00	5,120.00	19,200.00
Partners	38	155.00	5,270.00	620.00	5,890.00
Office costs, typing, etc.			<u>1,570.00</u>	<u>560.00</u>	<u>2,130.00</u>
Proposed fee for the year ended June 30, 2024			\$ 36,200.00	\$ 6,300.00	\$ 42,500.00
	2025 (5% increase)		38,000.00	6,600.00	44,600.00
	2026 (5% increase)		<u>39,900.00</u>	<u>6,900.00</u>	<u>46,800.00</u>
Total for three years			<u>\$114,100.00</u>	<u>\$19,800.00</u>	<u>\$133,900.00</u>



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

August 19, 2021

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, 2021. 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, 2021, 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*.

A handwritten signature in black ink that reads "Brady Martz". The signature is written in a cursive, flowing style.

Brady Martz and Associates, P.C.