

**GERDING, KORTE & CHITWOOD'S
PROPOSAL TO PROVIDE
AUDIT SERVICES**

FOR

BOONE COUNTY REGIONAL SEWER DISTRICT

Firm – Gerding, Korte & Chitwood, P.C.

Address - 723 Main Street
Boonville, MO 65233

Telephone Number - (660) 882-7000

Contact Person – Jeffrey Chitwood, CPA

Date of Proposal - October 12, 2023

BOONE COUNTY REGIONAL SEWER DISTRICT

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GERDING, KORTE & CHITWOOD CPAS
Professional Corporation
Certified Public Accountants

October 12, 2023

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Boonville, MO 65233
(660) 882-7000
Fax: (660) 882-7765
www.gkccpas.com

Wendy Wieggers, Manager of Finance and Human Resources
Boone County Regional Sewer District
1314 North 7th Street
Columbia, MO 65201

Dear Ms. Wieggers:

We appreciate the opportunity to submit our proposal for conducting the annual audit of the Boone County Regional Sewer District for the year to end December 31, 2023. As you are aware, the audit serves a very useful purpose by providing the management, the Board and your citizens with a comprehensive financial report of the year's activities. Additionally, the audit serves to provide assurance that the information presented in the annual financial statements is fairly stated in accordance with accounting principles generally accepted in the United States of America.

Obviously, there are considerations other than price when selecting a product of service for consumption. The same is true for the selection of your Certified Public Accountants. As you evaluate our proposal against all others, we suggest you use some or all of the following criteria and weigh each of the factors depending upon its relative importance to you.

Cost

The cost of the annual audit must properly be one of the key factors in influencing your decision. As a public entity, it is your responsibility to spend the taxpayers' money wisely. Since money is a measurable commodity, it is important to compare dollar cost and time commitment proposed by each firm. Our pricing is competitive with other firms, especially when compared on the basis of fee charged to time commitment and the experience of our audit staff.

PARTNERS
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

PARTNERS EMERITI
Robert A. Gerding
Fred W. Korte, Jr.

Personnel and Experience

We believe the quality and experience of the personnel assigned to your audit is even more important than cost. There are several factors in determining the quality of the personnel to be assigned to the audit of the District. The key factors are education, experience and technical knowledge. As a firm, we audit numerous governmental entities throughout central Missouri. Consequently, we have experience in dealing with a vast number of problems and issues facing governmental entities.

Our firm's policy is to staff audit engagements with experienced individuals. In fact, the partners of our firm generally perform much of the fieldwork on engagements. We believe this approach is essential to providing quality service.

By reviewing the brief resumes of the personnel to be assigned to this engagement, included in this proposal under Section III, we hope you will conclude that we can match or exceed the qualifications and experience of the personnel of any firm you are considering. We are an aggressive firm committed to the importance of a sound educational background coupled with a continuing educational program to continually improve our knowledge and experience. We believe we are particularly well suited to perform governmental audits.

Service

Of importance to the District is not only the quality of service rendered, but also the availability of service. With our offices in Boonville and Columbia, we will be able to serve your needs both during the annual audit and throughout the year. As problems arise, it is important that you be able to contact your accountants readily. It is also important that your accountants be available for on-site assistance or presentations as needed. Obviously, we would be able to assist you at any time due to our proximity.

We place a great deal of importance on having the District on our client list, not only for financial reasons, but also for the pride we take in serving a quality organization. The Boone County Regional Sewer District is important to us and as such you can expect to receive the service and attention you deserve and have come to expect.

We appreciate your consideration of our proposal. We hope you will weigh all the above factors in making your decision. We welcome the opportunity to meet with you and/or the Board regarding any aspect of our proposal.

Very truly yours,

GERDING, KORTE & CHITWOOD



Jeffrey A. Chitwood, CPA

SECTION I

SCOPE OF AUDIT

General Requirements

We will audit the financial statements of the business-type activities, which comprise the basic financial statements of the District as of and for the year to end December 31, 2023. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have also been engaged to report on supplementary information other than RSI that accompanies the District'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 statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of debt service coverage.

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 accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the third paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Trustees of the District. 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 on the financial statements 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 may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that 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 entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

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 rather than absolute 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 abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting 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, there is a risk that material misstatements 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. 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, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to 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 tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may 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; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

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*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. 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 and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit 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*.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the third paragraph 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 statement 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 establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and 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 and all accompanying information in conformity with accounting principles generally accepted in the United States of America and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

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, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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 taken 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 the government 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 the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (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.

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 other 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 and related notes 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 and related notes and that you have reviewed and approved the financial statements and related notes 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 those services; and accept responsibility for them.

Engagement Administration, Fees and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will perform the following procedures for us:

- Document internal control procedures for our review and consideration.
- Type all confirmation letters.
- Assist us in tracking down any exceptions noted in the returned confirmation letters.
- Pull all invoices selected in our test selection, and subsequently refile those invoices.
- Pull all other items in our test selections and subsequently refile those items.
- Perform detailed account analysis as directed by our staff.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the 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.

In the interest of facilitating our services to the District, we may communicate by facsimile transmission or send electronic mail over the internet. Such communications may include information that is confidential to your company. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

The audit documentation for this engagement is the property of Gerding, Korte & Chitwood and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting 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 Gerding, Korte & Chitwood 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.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than the financial statement, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

Jeffrey A. Chitwood is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we become obligated to pay any judgment or similar award, agree to pay any amount in settlement, and/or incur any costs as a result of any inaccurate or incomplete information that you provide to us during the course of this engagement, you agree to indemnify us, defend us, and hold us harmless against such obligations, agreements, and/or costs.

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that you will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the County of Cooper, State of Missouri, by the American Arbitration Association, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to Missouri law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Our fees for these services will be at our standard hourly rates, plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will be as listed on the fee proposal form. The listed fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur additional costs.

We base our fees on time required at our regular rates for the type of services and personnel assigned plus out-of-pocket costs. We also give consideration to the difficulty and size of the assignment, the degree of skill required, time limitations imposed on us by others, the experience and ability of the personnel assigned, the nature of the project, the level of cooperation by the client's staff, and the value of the services to the client.

Our fees for consultation during the year will be based upon the hourly rate of the person performing the services. Our rates vary among our staff, but generally our partners charge from \$200 to \$250 per hour and our staff rates range from \$85 to \$150 per hour. There will be no charge for infrequent, insignificant contact throughout the year.

Over the past several years the Governmental Accounting Standards Board and the General Accounting Office of the Federal Government have issued numerous regulations affecting the conduct of governmental audits; the proposed fee as listed above includes the impact of these changes to date. There may be additional regulations during the term of this proposal that are not anticipated. We will discuss new regulations, if any, with the Superintendent to determine if additional audit fees are necessary to comply with such new regulations.

The proposed fee does not include additional audit work that would be required for any new debt or debt refunding or a Single Audit. The additional time required would be billed at our standard rates.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Auditing is an important part of our practice. We currently audit over eighty governmental units in Central Missouri. Because of this experience we are familiar with the accounting and auditing standards applicable to governmental entities.

Independence

The firm of Gerding, Korte and Chitwood is independent with respect to the Boone County Regional Sewer District.

Licenses to Practice

The firm of Gerding, Korte and Chitwood is licensed to practice as Certified Public Accountants in the State of Missouri. Also, all partners and supervisory staff are licensed certified public accountants in the State of Missouri.

Disciplinary Action

There has been no disciplinary action taken nor is any pending against the firm during the life of the firm (including deficiency of Single Audits according federal guidelines).

Litigation

There has been no litigation settled or pending against the firm during the life of the firm.

Continuing Education

All professional staff members attend various continuing education seminars throughout the year. Each professional is required to obtain a minimum of twelve hours in governmental accounting training annually.

Regulatory Oversight

As a requirement of membership in the American Institute of Certified Public Accountants, our firm participates in an on-site quality review program. *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. In the last approved inspection of our firm, dated February 5, 2021, we received an unmodified opinion. A copy of our 2020 peer review report accompanies this proposal. We are very pleased to participate in this review program as continued evidence of our emphasis on providing the District the highest quality audit.

SECTION II

AUDIT APPROACH

Specific Scope and Timing Requirements

The engagement will be broken into several phases as follows:

- 1) Planning;
- 2) Compliance testing;
- 3) General fieldwork; and
- 4) Report preparation and review.

Each of these phases will be conducted by a partner of our firm who may be assisted by a staff member. We believe this approach differs from many firms and provides clients with the highest possible level of service.

The **planning phase** of the audit will be conducted by one or more members of our staff. This phase will involve analysis of the District's financial condition, as well as analysis of revenue sources and expenditures compared to the prior year and budget. This phase will also include obtaining an understanding of the District's internal control structure and testing of the internal control features that can be relied upon to efficiently reduce substantive audit testing.

The **compliance testing phase** of the audit will be conducted by one or more members of our staff. Compliance testing will primarily be focused on testing compliance with federal rules and regulations governing federal financial assistance; and testing for general compliance with Missouri statutes governing the financial aspects of counties.

The **general fieldwork phase** of the engagement will involve substantive tests of account balances and other audit procedures necessary to adequately disclose the financial position and results of operations of the District. Usually testing of receipt and disbursement control are performed during this phase of the audit. There will be some compliance testing in this phase as well. Several of our partners and staff will be involved in this phase of the audit.

The **report preparation and review phase** will be conducted primarily at our office and will involve summarization and review of the audit evidence obtained during the other phases. This phase will also involve the preparation of our auditor's reports and management letter.

The expected timing of the engagement are as follows:

Planning	December - January
Compliance testing	February
Other fieldwork	February
Report preparation and review	April

Other Relevant Information

In evaluating the District's internal control structure we use check-lists, questionnaires and narrative memorandum. The District's policies and procedures will be evaluated.

We generally structure our audits to not rely on a client's EDP structure. Instead we treat the EDP structure as a manual system and audit the integrity of the input and output.

We utilize non-statistical, risk based sampling. We assess materiality by fund and develop appropriate risk models. Sample sizes are determined based on risk models.

We realize that it is not your staff's normal job to serve the auditors, so we try to make the fieldwork phase as pleasant as possible. We try to bring enough people to an engagement to finish the fieldwork as quickly and efficiently as possible. Files can be provided to Gerding, Korte & Chitwood digitally on a flash drive or over a secure portal.

Other Services

We typically answer routine questions from District personnel at no charge.

Substantive work in other areas, such as, internal control review, management services, etc. would be billed at our usual rates.

SECTION III

PROFILE OF FIRM

Firm Qualifications and Experience

The firm of Gerding, Korte and Chitwood was officially organized May 1, 1981. We are a local firm with offices in Boonville and Columbia. We have a permit to practice with the Missouri State Board of Accountancy. Each CPA employed by our firm is an active member of both the Missouri Society of CPA's and the American Institute of Certified Public Accountants.

Our firm participates in an on-site peer review program as a requirement of membership in the American Institute of Certified Public Accountants. In the last inspection of our firm dated December 9, 2014, we received an unqualified opinion. The peer review included reviews of several governmental engagements. A copy of that report is attached.

Governmental entities are a very important part of our accounting practice. We provide audit and advisory services to a large number of governmental entities. Section IV presents a partial list of governmental organizations served by our firm with similar operating characteristics and reporting requirements to yours. You may use any of these clients as references. In addition to these governmental clients we also serve many other governmental entities.

Staffing

Gerding, Korte and Chitwood currently employs eleven certified public accountants, five of whom are partners. There are currently four non-certified public accountant members of our professional firm. Each professional staff member is required to obtain at least 40 hours of continuing education each year. A minimum of 12 hours is obtained in governmental continuing education. We have had no turnover in our professional staff within the past three (3) years.

The audit will be coordinated from our Boonville office which has a professional staff of six CPA's and three non-CPA's. However, to fully utilize the expertise of others within our firm with substantial governmental audit experience, personnel primarily working from our Columbia office may also be used on this engagement.

Our firm's policy is to staff engagements with experienced personnel. The staff expected to perform this engagement are as follows:

JEFFREY A. CHITWOOD, CPA - PARTNER IN CHARGE

Jeffrey joined our firm in May, 2004. He graduated summa cum laude with a Masters of Accounting Degree from the University of Missouri - Columbia in May, 2001 and became a licensed CPA in September, 2002. Jeffrey became a partner in the firm on January 1, 2011.

Jeffrey has considerable auditing experience gained while working for a national accounting firm prior to joining our firm.

JOSEPH E. CHITWOOD, CPA - PARTNER

Joe is a Certified Public Accountant licensed in the State of Missouri. He is a graduate of the University of Missouri - Columbia, earning a Bachelor of Science degree in Business Administration. He was then employed as an accountant with a private accounting firm in Boonville, earning his CPA license in 1979. In 1981, Joe founded Gerding, Korte and Chitwood, CPA's with Bob Gerding and Fred Korte.

Joe has extensive experience in auditing cities related governmental entities, and his audit client base is also primarily composed of governmental entities. He has attended numerous conferences related to governmental auditing requirements and techniques.

TRAVIS HUNDLEY, CPA - PARTNER

Travis joined our firm in May, 1994 upon his graduation from Central Missouri State University in Warrensburg, Missouri. He graduated with a Bachelor of Science in Business Administration in Accounting and became a licensed CPA in 1996.

Travis has assisted in the audits of several government and nonprofit entities, including cities and schools and has attended several seminars related to governmental activity.

BENJAMIN E. CARRIER, CPA

Ben joined our firm in August, 2021. He graduated summa cum laude with a Masters of Accounting Degree from the University of Missouri - Columbia in May, 2012 and became a licensed CPA in August 2013.

Ben has considerable auditing experience gained while working for a national accounting firm prior to joining our firm.

KAITLIN M. CARRIER CPA

Katie joined our firm in September, 2021. She graduated summa cum laude with a Masters of Accounting Degree from the University of Missouri - Columbia in December, 2013 and became a licensed CPA in August, 2015.

Katie has considerable auditing experience gained while working for a national accounting firm prior to joining our firm.

SECTION IV

REFERENCES

The following is a partial list of clients whom we have audited in the past five years with similar audit characteristics and complexities:

Governmental Entities: (Done in accordance with Governmental Auditing Standards.)

Consolidated Public Water Supply District #1 of Cooper County	Jennifer Martin	660-882-6455
Public Water Supply District #3 of Cole County	Brian Evers	573-893-4262
Public Water Supply District #3 of Johnson County	David Streeter	660-429-2494
Public Water Supply District #3 of Osage County	Virginia Koenigsfeld	573-897-2123
Public Water Supply District #1 of Osage County	Virginia Koenigsfeld	573-897-2123

Additional references are available upon request.

SECTION V



Report on the Firm's System of Quality Control

February 5, 2021

To Gerding, Korte & Chitwood, PC and the Peer Review Committee of the Missouri Society of CPA's:

We have reviewed the system of quality control for the accounting and auditing practice of Gerding, Korte & Chitwood, PC in effect for the year ended September 30, 2020. 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.

Firms' 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.

www.kpmcpa.com

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500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Member of The Leading Edge Alliance

SECTION V

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including a compliance audit under the Single Audit Act.

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 Gerding, Korte, & Chitwood, PC in effect for the year ended September 30, 2020, 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*. Gerding, Korte, & Chitwood, PC has received a peer review rating of *pass*.

KPM CPAs, PC

KPM CPAs, PC

SECTION V

**Boone County Regional Sewer District
Audit Proposal Sheet**

List below the cost of service for the district audit for a one year term.

Year	Audit Fee	Additional fee if Uniform Guidance Compliance Audit is Required	Additional fee if Audit Presentation at Board Meeting is Required
2023	\$ 20,000	\$ 3,000	\$ 1,500

Future fees will be determined before engagement letters are sent. Each year's fee will not increase more than 10% of the prior year fee.



Authorized Signature

October 12, 2023

Date

Gerding, Korte & Chitwood, P.C.

Company

If the bid by the above auditing firm is accepted, this form will serve as a contract between the bidder and the District, when signed by an authorized representative.

District Authorized Signature

Date