

**Baker Tilly US, LLP**

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# Sauk County, Wisconsin

*Technical proposal for professional auditing services*

**December 6, 2021**



## Serving as the County's Value Architect™

Clients like Sauk County are the reason our team members love to work for Baker Tilly. We do not think of ourselves as accountants or advisors — that is what we do. Instead, we consider ourselves Value Architects™. It is a mindset; a set of skills, capabilities and behaviors rather than a job description.

Like an architect, we will work with Sauk County to design unique blueprints for your success. We will have meaningful conversations to brainstorm solutions to your most pressing problems. You can trust our judgment to marshal the right people and resources for the challenges you face. **And we will continue to make that commitment to you, day in and day out.** We invite you to click on the video below to hear what being a Value Architect™ means at Baker Tilly.



### OUR COMMITMENT TO BEING YOUR VALUE ARCHITECT™

*Being your Value Architect™ means we will be there for the County every step of the way as your organization evolves.*



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Baker Tilly has served as the external auditor for Dane County since 2000. The County has been very pleased with the auditing services provided. Baker Tilly has always deployed competent staff to serve the county and has the depth of knowledge and experience to understand all of the county's various departments, from the Airport to the Zoo and all the operations in between. Throughout the years, Baker Tilly staff have been responsive to county staff when they had questions or needed clarification on transactions. We always feel free to contact Baker Tilly during the year to get advice on how to handle the more complex transactions.

*Charles Hicklin, Controller | Dane County, WI*



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# Letter of transmittal

December 6, 2021

Ms. Kerry Beghin  
Finance Director  
Sauk County West Square Building  
505 Broadway  
Baraboo, Wisconsin 53913

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Dear Ms. Beghin:

Thank you for the opportunity to continue providing professional audit services to Sauk County (the County). The County is an important client of the firm, and, as this proposal will show, we are committed to providing valuable services and meeting and exceeding your expectations for many more years to come.

We understand the County requires an audit of the financial statements and a compliance audit of the County's federal and state awards for the calendar years 2021, 2022 and 2023. We understand the services you are requesting, which are similar to those we have delivered to the County and provided to other counties in Wisconsin. We are committed to performing the audit on time and in a manner that meets or exceeds the scope described in your request for proposals (RFP).

## HOW BAKER TILLY WILL MEET YOUR NEEDS

### Extensive governmental and Wisconsin county audit experience

We audit nearly 40 Midwest counties, including eight of the 12 largest counties in Wisconsin. We understand the unique requirements specific to county governments in Wisconsin, and this allows us to provide relevant and state-specific advice. We understand your operations and we are knowledgeable about many of the special aspects and circumstances affecting the County.

### A familiar, consistent and flexible audit team

It has been our pleasure to provide audit services to the County and to work with your team. We will build on this positive relationship, as well as a deep understanding of your operations, practices and internal controls to deliver an efficient and effective audit. Our team will also continue to be flexible on the timing and method (virtual vs. onsite) of fieldwork, financial statements and review implementation of new accounting standards.

### Tools and resources for the County

We invest time in our relationship (at no additional cost) to develop and provide tools to assist with the implementation of new accounting standards, including those for other postemployment benefits, leases, fiduciary activities and pension.

We also continue to provide complimentary thought leadership, webinars, newsletters and podcasts throughout the year on trending and emerging topics for state and local governments.



Sauk County  
December 6, 2021

We are deeply committed to local governments in Wisconsin and believe that the decision to continue working with our firm will provide the County with the best possible team to serve you. If you have any questions regarding our proposal, or if you need any additional information, please feel free to contact us. This proposal is a firm and irrevocable offer for 180 days.

Sincerely,



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# Experience and reliability

## Offering our resources: Baker Tilly at a glance

We dedicate ourselves to delivering efficiency, quality, creativity, innovation and forward-thinking solutions. We are passionate about enhancing and protecting our clients' value, which is a collective effort by everyone across our firm.

The County will continue to receive an exceptional experience for your management team, governance team and — ultimately — your constituency. Below are some key facts about our firm.



### COMPREHENSIVE EXPERIENCE TO SERVE YOU

*The County will receive support and guidance from a respected firm that continues to grow — as evidenced by INSIDE Public Accounting naming Baker Tilly as the ninth largest accounting firm in the U.S. on their 2021 Top 400 Firms list.*

## Celebrating 90 years in serving our valued clients

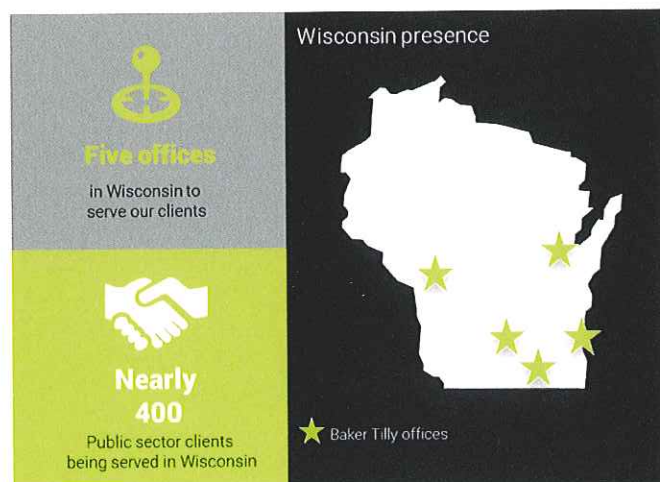
As a future-looking firm, we celebrate 90 years in the marketplace by honoring our roots and continuing to shape our future. We embrace the fact that business can't stand still — and we won't stand still. As we help our clients identify new needs and opportunities, we innovate and change to work better. We celebrate where we came from and how far we've come — which is essential to knowing who we are and where we are headed.



### Wisconsin roots

Our roots took hold in 1931 in Waterloo, Wisconsin, where we began as a public accounting firm specializing in canning factory audits. Since that time, we have grown with more than 40 different combinations, each with its own rich history, expanding our presence coast to coast and globally and our scope across industries, services and areas of expertise.

One thing has not changed in 90 years: **our shared passion for enhancing and protecting our clients' value.**





### Standing on our values

Our core values infuse our culture and drive the way we plan to work with the County. They are what we believe and what we expect from each other. They guide our decisions, inspire our actions and gauge how we do business. They are shorthand for what we stand for — and what we stand against. Our core values are fundamental and timeless and come to life through our own experiences and personal expression. Our core values are highlighted below.



#### SHARED CULTURES, VALUES, PHILOSOPHIES AND GOALS

*The County and Baker Tilly have a strong cultural fit, and our commonalities will lay the foundation for trust, open communication, a seamless project approach and an enduring relationship.*

### Providing exceptional service year round

Client trust and satisfaction are the foundation for any service relationship. We will work hard to retain your trust through meaningful conversations, responsiveness and forward-thinking services that solve your most pressing issues. Below is how we deliver on our commitment to exceptional service.



#### PILLARS OF OUR EXCEPTIONAL SERVICE APPROACH

*Relationships are the foundation of our firm. We will work hard to build a genuine relationship with The County.*



As evidence of our ability to deliver exceptional service, Baker Tilly received a 73 NPS rating for fiscal year 2021. The 2021 Accounting Industry NPS Benchmark for U.S.-based firms is only 38 according to **ClearlyRated**. **This places Baker Tilly as a leading firm in delivering client satisfaction and quality service.** Please visit **Appendix I** for more information on the Baker Tilly Client Experience Program (BTCX) and our NPS score.

### Public sector specialization

Unlike many of our contemporaries, Baker Tilly is organized by industry, not service line. What does this mean for the County? It means you will continue to be served by carefully selected government-focused professionals. Our industry-specific expertise ensures you will be working with knowledgeable professionals who understand the County and the specific challenges you face – and can help create innovative solutions to address them.

The County will continue to work with a single engagement team. As a result, you can expect to receive consistent, efficient and **exceptional client service**.

From the start, Baker Tilly has understood that our business demands absolute integrity, a belief in the value of trusted relationships and a willingness to collaborate with every client. We will continue to strengthen and enhance our relationship with the County as, together, we work to help you realize your vision.

State and local government is a complex, unique environment shaped by fiscal, regulatory and operational considerations not found in other industries. Recognizing this complexity, and eager to serve as a true valued advisor to the public sector, Baker Tilly formalized its dedicated public sector specialization more than 50 years ago. **Nationwide, our state and local government practice serves more than 3,100 state and local government entities, including school districts, municipalities, counties, public utilities, transit districts and others.**

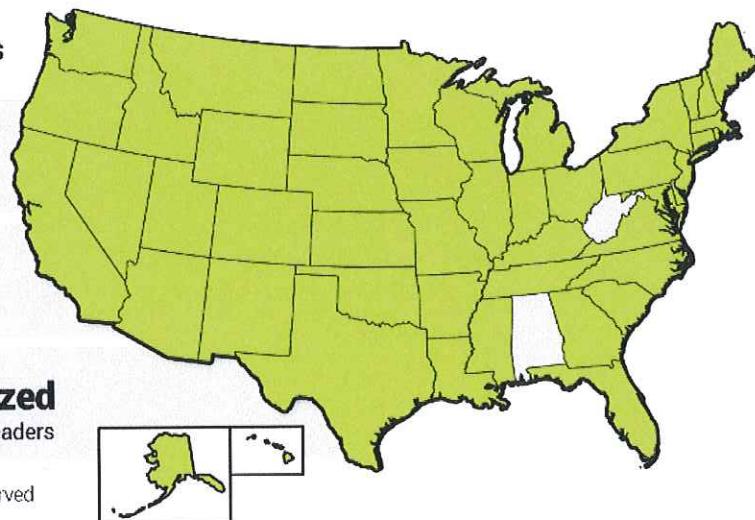
#### Public sector: experience that matters

**3,100+**  
public sector clients

**90 years**  
industry experience

**Nationally recognized**  
industry trainers and thought leaders

■ States where Baker Tilly has served  
public sector clients





The County benefits from our specially organized group of associates and partners in several specific ways:

- **Specialized training and continuing education:** The County is assured of an audit team with the necessary knowledge and skills you desire to accurately audit your financial statements, identify the strength of internal controls and processes, and track key performance indicators critical to your government.
- **Dedication to your industry:** Your public sector professionals live and breathe government, working exclusively in this industry year-round. This translates into insights only experience can bring, as well as service from a team that understands the best ways to communicate and collaborate with public sector entities.
- **Industry involvement:** Members of our public sector practice group are leaders in key industry organizations, including AICPA and the Governmental Audit Quality Center (GAQC). Because of our work with these groups, we are knowledgeable of dynamic, consequential trends in state and local government – and equipped with leading practices to help the County best respond to them.
- **Knowledge shared with the County:** At Baker Tilly, serving governments goes beyond services – we also supply our state and local government clients with crucial thought leadership in the form of webinars, workshops, articles and our regular newsletter CommuniTIES Connection.
- **Year-round consultation:** Throughout the year – not just during the audit – we will be available for routine calls or technical questions, connecting you with recommendations and ideas to address the inevitable operational issues that arise. Plus, we will alert you to new opportunities for us to collaborate and create value for the County.

### Single audit experience

Since the passage of the Single Audit Act of 1984, Baker Tilly has recognized the importance of becoming specialists in this highly complex area. Our firm currently performs more than 500 single audits each year, ranking Baker Tilly in the top three, nationally, based on number of audits conducted by CPA firms.

To stay on top of the changing requirements, our firm serves on various AICPA committees studying financial and single audit issues. We have been selected as speakers for nationally sponsored training courses, and we actively participate in industry events.

Our depth of experience with single audits places us in a unique position to perform the single audits for the County, if and when needed.

Baker Tilly conducts more than 500 single audits each year, ranking us in the top three, nationally, based on number of audits conducted by CPA firms.

Our firm is also asked to review and comment on various single audit documents created by the AICPA and OMB prior to their issuance. Below is a list of documents where we have provided contributions:

Document	Years	Organizations
AICPA Audit Guide – GAS and Single Audits	2005–2016	AICPA
AICPA Audit Risk Alert – GAS and Single Audits	2006–2015	AICPA
OMB Compliance Supplement	2008–2021	OMB

#### **AICPA study on single audit quality**

The AICPA performed a study on single audit quality. The study showed three factors that directly correlate to the quality of the audit engagements:

- **Size of the firm's single audit practice**
  - Baker Tilly has approximately 400 professionals performing single audits
- **Membership in the Government Audit Quality Center (GAQC)**
  - Baker Tilly has been a member since the Center's inception and has also served multiple terms on the Executive Committee of the GAQC
- **Qualifications of the engagement director / partner**
  - Amanda Blomberg, Director on your engagement team, leads our firm's single audit practice and oversees more than 20 single audits annually for our largest and most complex single audits. Carla Gogin, Partner, leads the firm's state and local government audit practice.

#### ***Grant reform leadership in Wisconsin***

Baker Tilly began collaborating with the State of Wisconsin long before the Uniform Guidance became effective in order to promote a seamless transition for local governments and not-for-profits that receive pass-through funding from state agencies. We recognized the many complexities our clients were facing with the Uniform Guidance in general, as well as the often differing requirements when receiving federal funds directly from federal agencies or as a subrecipient of the state. In addition, we provided complementary services to the Wisconsin Department of Administration and Department of Health Services to help them implement necessary changes to the *Wisconsin State Single Audit Guidelines* to reflect changes of the Uniform Guidance.

Through entirely volunteer efforts, we completed the following:

- We drafted proposed revisions to the *Wisconsin State Single Audit Guidelines* which were substantially adopted in their entirety by the Wisconsin Department of Administration. These changes included guiding auditors to better focus on areas of greatest risk, as well as increasing the thresholds for major program determination.
- We conducted training on the Uniform Guidance changes to cost principles and administrative requirements for the fiscal and program staff of the Wisconsin Department of Children and Families.



- We hosted and participated in numerous meetings with the Wisconsin Department of Health Services as part of their update to the DHS Audit Guide. They updated their guide and included a recognition of Baker Tilly's assistance.
- We jointly presented with the Wisconsin Department of Health Services on procurement changes under the Uniform Guidance for the Wisconsin Human Service Financial Managers Association and then presented the same information to the procurement department of the Wisconsin Department of Health Services.

With the passage of the various COVID-19 legislative acts at the federal level, we contacted with the Wisconsin Department of Health Services to share what we learned about subrecipient and beneficiary relationships. We anticipate more involvement with state agencies in Wisconsin as the effects of the funding continue to trickle down to the local levels.

Through these efforts, we have been able to help support compliance and consistency of the Uniform Guidance implementation in the State of Wisconsin. The Wisconsin State Single Audit Guidelines have many complexities that require an experienced Wisconsin firm to navigate successfully.

### **Government Finance Officers Association (GFOA) certificate of achievement (COA) award program**

You require a firm whose clients excel in receiving the Certificate of Achievement from the GFOA. Baker Tilly is that firm. We continue to be heavily involved with the GFOA award for excellence in financial reporting by volunteering staff time to serve as report reviewers for the GFOA. We will provide assistance to the County's with your Annual Comprehensive Financial Report.

Below is a list of current Baker Tilly GFOA report reviewers:

<b>Baker Tilly COA reviewers</b>	
<b>Amanda Blomberg, Director</b>	Kim Shult, Partner
<b>Carla Gogin, Partner</b>	Michael Malatt, Senior Manager
Jason Coyle, Partner	Paul Frantz, Partner
Jodi Dobson, Partner	Ryan Engelstad, Partner
John Compton, Jr., Partner	Steve Henke, Senior Manager
John Rader, Director	Wendi Unger, Partner
Joseph Lightcap, Partner	

The following Wisconsin government clients received the GFOA Certificate of Achievement during the years that Baker Tilly conducted their audit. Between these and clients in other states, more than 80 of our clients receive this award. This is testament to the quality of the financial audits opined on by our firm.

#### Baker Tilly's COA recipient clients

City of Beloit	Marathon County
City of Brookfield	Milwaukee County
City of Fitchburg	Milwaukee Metropolitan Sewerage District
City of Franklin	Milwaukee Public Schools
City of Green Bay*	North Shore Fire Department
City of Janesville	Oak Creek Water & Sewer Utilities
City of Madison	Racine County
City of Mequon	Sauk County
City of Middleton	Village of Ashwaubenon*
City of Milwaukee, WI**	Village of Bayside
City of Neenah	Village of Germantown
City of Oconomowoc	Village of Grafton
City of Sun Prairie	Walworth County
City of Waukesha	Washington County
City of West Bend	Waukesha County
Dane County	Waukesha County Technical College
La Crosse County	

\*Auditing began for this organization in its most recent fiscal year. The organization has received the GFOA Certificate of Achievement for several consecutive years and it is anticipated that their most recent Comprehensive Annual Financial Report will receive this award as well.

\*\* The City of Milwaukee, WI submitted for the GFOA certificate for the first time in a very long time with their Dec. 31, 2020 report. Baker Tilly assisted with this process the City is awaiting notice from the GFOA.

We continue to be heavily involved with the GFOA award for excellence in financial reporting by volunteering staff time to serve as report reviewers for the GFOA.



## Industry involvement

To help you respond to and prepare for change, we are actively involved in local and national associations, keeping us on the leading edge of what is happening in our industry. Our memberships in the following organizations and our involvement as authors, speakers, trainers, and promoters of governmental accounting and auditing help us actively assist you with the implementation of new regulations or the adoption of new standards. Because of this active involvement, we are able to provide the County with timely and relevant industry information. It also allows for us to be a sound resource to the County as complex or routine accounting and auditing issues arise.

- American Institute of Certified Public Accountants
- American Water Works Association
- American Women's Society of Certified Public Accountants
- Association of Certified Fraud Examiners
- Association of Government Accountants
- Government Finance Officers Association
- International City/County Management Association
- League of Wisconsin Municipalities
- Municipal Treasurers Association of Wisconsin
- Wisconsin Government Finance Officers Association
- Wisconsin Institute of Certified Public Accountants
- Wisconsin Municipal Clerks Association
- Wisconsin Public Utility Institute
- Wisconsin Rural Water Association
- Wisconsin Section of American Water Works

Baker Tilly doesn't just belong to these organizations. We are active members who serve on committees and support the organizations with our time and funds. For example:

- Partner Vicki Hellenbrand is a member of AICPA's GASB Technical Issues Committee
- Director Amanda Blomberg is a member of the GAQC Executive Committee for the 2021-2022 volunteer service year which focuses on single audit issues
- Partner Jodi Dobson was recently appointed to the AICPA's State and Local Government Expert Panel, which is a great opportunity to share insights with the County

## Implementing new GASB requirements

We have assisted the County in its implementation of several new accounting standards. For each new GASB standard, we provide tools and templates that help with implementation. We are prepared to assist the County with new GASB standards, as applicable. Examples include:

- Statement No. 87, Leases
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus
- Statement No. 93, Replacement of Interbank Offered Rates
- Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements
- Statement No. 96, Subscription-Based Information Technology Arrangements
- Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32



For more information, check out our webinar, **GASB 87 countdown: Are you ready for lease accounting changes** at [bit.ly/2BgzoXQ](https://bit.ly/2BgzoXQ).

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance, with the exception of Statement No. 87 which was postponed by one and a half years.

In addition to these recently issued GASB Statements, a number of other GASB standards and exposure drafts outstanding are expected to have a significant impact on current reporting practices. Baker Tilly follows these closely and often prepares comment letters to GASB on behalf of the profession to raise items of potential concern prior to the standards being finalized.



## Sharing complimentary educational resources with our clients

The value of our service is based upon your assessments and expectations. Therefore, educating your team members and supporting your operations is part of our relationship with the County.

Complimentary educational opportunities include:

- Routine questions throughout the year fielded by Baker Tilly personnel who can provide **meaningful, timely and realistic guidance at no additional charge.**
- **Regular webinars** on topics such as fraud, understanding financial reports, new GASB reporting standards, grant-related topics and cost reduction/revenue maximization. These webinars are free to our clients and qualify for CPE. Webinar recordings are available on our website and can be viewed at any time.
- Web-based **resources**, including our [American Rescue Plan resource center](#), are available to Baker Tilly clients and feature educational materials, tools and resources on topics important to governments.
- Our quarterly CommuniTIES Connection newsletter with industry and accounting updates. As well as the weekly [CommuniTIES podcast series](#) where we speak with public sector leaders from across the firm about practical guidance to help governmental entities protect and enhance their value.
- **Timely alerts** on laws, regulations or decisions with an immediate or near-future impact on local governments clients.



### VALUABLE, COMPLIMENTARY RESOURCES FOR THE SCHOOL

*Click the images above to watch our most recent webinars designed to address trending topics for local governments. Additional webinars and on-demand videos are available at [bakertilly.com/state-and-local-government](https://bakertilly.com/state-and-local-government)*

## Quality control review report

Professionalism in the accounting industry means independence, integrity and objectivity. This is accomplished through unwavering adherence to professional standards and the associated laws and regulations. This includes withstanding all pressures, competitive and other, which could compromise our principles, standards and quality.

We have developed our own policies and procedures in order to provide reasonable assurance that every audit, tax and accounting engagement will be completed in accordance with professional standards that the public and our clients expect us to meet. We have numerous stages of review before a finished product is issued.

As members of the AICPA, we are required to develop and maintain a quality control document that outlines major areas of quality control as follows:

- Independence, integrity and objectivity
- Personnel management
- Acceptance and continuance of clients and engagements
- Engagement performance
- Monitoring

Our quality control document and our adherence to its provisions are subject to an independent outside review, which is required every three years. Our substantial governmental service practice requires significant portions of our external quality control review be directed to governmental engagements.

Our most recent peer review was completed in September 2018. **As with previous peer reviews, Baker Tilly received a “pass” report – the highest level of confidence we can obtain regarding our firm’s system of quality control.** No letter of comments was issued. In our 90 years of business, Baker Tilly has never had disciplinary action taken against our firm by the AICPA or any state boards or regulatory agencies. The 2021 peer review is in process and will be provided upon completion.

In addition to the external peer review, we perform internal office inspections annually. This ensures that we are maintaining our audit quality at exceptionally high standards. Our firm also performs external peer reviews for numerous CPA firms throughout the United States.

Baker Tilly’s auditing procedures and working papers are in full compliance with the applicable federal and state guidelines as indicated elsewhere in this proposal. Because of the large volume of governmental work and numerous single audits we complete every year, our working papers and procedures often undergo review by regulatory agencies.

### *Quality control processes*

Baker Tilly has adopted a system of quality control and other safeguards that are applicable to every audit engagement completed by the firm. These controls and safeguards provide a comprehensive system that serves to prevent or detect, in a timely manner, matters that without corrective action could result in substandard performance. As a result, we believe that the firm’s system of quality control meets the requirements of quality control standards adopted by the AICPA. The following describes certain aspects of our quality control policies and procedures.

### *Professional practice group*

Baker Tilly has a Professional Practice Group which is the hub for all firm accounting and assurance quality control and policy developments. Each industry group also has a Professional Practice Partner who is a local resource and first-line contact for audit professionals.



### Industry Centers of Excellence – Technical Committees

To ensure quality standards throughout the firm's state and local government practice, there are technical specialists within each office who are part of the Industry Centers of Excellence – Technical Committee (ICE-T) for state and local government audits. These local ICE-T members ensure technical issues are efficiently and effectively resolved. Carla Gogin is a member of the state and local government ICE-T committee.

Our peer review report follows:



MOSSADAMS

#### Report on the Firm's System of Quality Control

September 26, 2018

To the Partners of Baker Tilly Virchow Krause, LLP and the  
AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 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](http://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 compliance audits under the Single Audit Act, audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

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 Baker Tilly Virchow Krause, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 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. Baker Tilly Virchow Krause, LLP has received a peer review rating of pass.

*Moss Adams* LLP

## No disciplinary action

Baker Tilly's auditing procedures and working papers are compliant with applicable AICPA, PCAOB, Generally Accepted Government Auditing Standards and SEC standards, and federal and state laws. Our work is regularly evaluated through AICPA peer review, PCAOB inspections and other regulatory oversight.

We are pleased to report that we have never received disciplinary action by any state accountancy boards, the AICPA, the PCAOB nor any other agency.

## Wisconsin government clients

**We provide services to more than 3,100 state and local governments nationwide.** Our history with government entities gives us the level of expertise necessary to perform an effective, efficient and quality audit of the County. The following list includes a sampling of our state and local government clients from Wisconsin. We are proud of the number of Wisconsin governments we serve and are glad provide contact information for any client on request.

### *Wisconsin county clients*

Bayfield	Lafayette*	Sauk*
Calumet	Marathon*	Shawano*
Dane*	Milwaukee*	Trempealeau
Dodge	Price*	Walworth*
Green*	Racine*	Washington*
La Crosse*	Rock*	Waukesha*

\* County clients of the proposed audit team

### *Wisconsin township clients*

Brockway	Hartford	Oregon
Brookfield	Lisbon	Oshkosh
Brooklyn	Madison	Pleasant Springs
Cedarburg	Merton	Springfield
Darien	Mukwonago	Washington
East Troy	Oconomowoc	

### *Wisconsin city clients*

Bayfield	Juneau	Reedsburg
Beloit	Kewaunee	Rhineland
Black River Falls	Madison	River Falls
Blair	Mayville	Saint Francis
Brookfield	Mequon	Schofield
Cedarburg	Middleton	South Milwaukee
Columbus	Milwaukee	Sparta
Cudahy	Monroe	Stanley



*Wisconsin city clients*

Delavan	Muskego	Stevens Point
Edgerton	Neenah	Stoughton
Fitchburg	New Berlin	Sun Prairie
Fort Atkinson	New Holstein	Verona
Fox Lake	New Richmond	Waterloo
Green Bay	Oak Creek	Watertown
Greenfield	Oconomowoc	Waukesha
Hartford	Omro	Waupun
Horicon	Osseo	West Bend
Janesville	Port Washington	Whitehall
Jefferson	Racine	

*Wisconsin village clients*

Ashwaubenon	Fox Point	Mukwonago
Bangor	Fredonia	North Fond du Lac
Bayside	Friendship	Pewaukee
Belgium	Germantown	Pleasant Prairie
Belleville	Grafton	Redgranite
Big Bend	Hales Corners	River Hills
Brownsville	Hartland	Sauk City
Butler	Hawkins	Shorewood Hills
Cadott	Hustisford	Sturtevant
Campbellsport	Kewaskum	Sullivan
Clayton	Kohler	Theresa
Cottage Grove	Lac La Belle	Thiensville
Deerfield	Lannon	Trempealeau
DeForest	Maple Bluff	Turtle Lake
Eagle	McFarland	Walworth
Eleva	Monticello	Waukesha
Elk Mound	Mount Horeb	West Baraboo
Elm Grove	Mount Pleasant	West Milwaukee

*Other Wisconsin clients*

Aging and Disability Resource Center of Central Wisconsin	Milwaukee Public Schools
Baraboo District Ambulance Service	North Shore Fire Department (Brown Deer)
Beloit Business Improvement District, City of	North Shore Water Commission (Milwaukee)
Big Muskego Lake District	Northern Waters Library Service (Ashland)
CDA of the City of Baraboo	Oak Creek Water & Sewer Utility
CDA of the City of Beloit	Outagamie Waupaca Library System
Dane County Housing Authority	Redevelopment Authority of the City of Milwaukee
Eau Claire City Housing Authority	State of Wisconsin Environmental Improvement Fund
Focus on Energy Program	Stoughton Housing Authority

*Other Wisconsin clients*

Frank L Weyenberg Library of Mequon-Thiensville	University of Wisconsin Division of Intercollegiate Athletics
Greater Bayfield Wastewater Treatment Plant	Walworth County Economic Development Alliance (WCEDA)
Hartford Community Development Authority	Waukesha County Technical College
Indianhead Federated Library System (Eau Claire)	Waukesha Housing Authority
Lakeshores Library System (Waterford)	WHA Radio and Television
Milwaukee Area Domestic Animal Control Commission (MADACC)	Wisconsin Center District (WCD)
Milwaukee Area Technical College	Wisconsin Educational Communications Board
Milwaukee County Federated Library System	WPPI
Milwaukee Economic Development Corporation	
Milwaukee Metropolitan Sewerage District	

*Wisconsin utility and transit clients*

We serve approximately 100 water utilities and more than 25 electric utilities in Wisconsin. Most villages and cities have water and wastewater utilities, and some have stormwater utilities.

**Valuable perspectives from similar clients**

We encourage you to connect with the clients below to learn more about the value of their relationship with Baker Tilly. Each client will offer a different perspective as you consider your own needs.

Dane County, Wisconsin			
<b>Name</b>	Charles Hicklin	<b>Title</b>	Controller
<b>Address</b>	201 Martin Luther King Jr. Blvd., Madison, WI 53709		
<b>Phone</b>	+1 (608) 266 4109	<b>Email</b>	<a href="mailto:hicklin@countyofdane.com">hicklin@countyofdane.com</a>
Green County, Wisconsin			
<b>Name</b>	Andrea Sweeney	<b>Title</b>	Finance Director
<b>Address</b>	Green County Courthouse, 1016 16 <sup>th</sup> Ave., Monroe, WI 53566		
<b>Phone</b>	+1 (608) 328 9449	<b>Email</b>	<a href="mailto:asweeney@greencountywi.org">asweeney@greencountywi.org</a>
Walworth County, Wisconsin			
<b>Name</b>	Jessica Conley	<b>Title</b>	Finance Director
<b>Address</b>	100 W Walworth St., Elkhorn, WI 53121		
<b>Phone</b>	+1 (262) 741 4378	<b>Email</b>	<a href="mailto:jconley@co.walworth.wi.us">jconley@co.walworth.wi.us</a>

**PROVIDING VALUABLE PERSPECTIVES FROM CURRENT CLIENTS**

*At Baker Tilly, relationships matter. Our Value Architects™ have a record of successfully enhancing and protecting similar clients' value – resulting in experience-based insights for the County.*



# Expertise of personnel

## A familiar and consistent engagement team

We know that the County appreciates working with experienced industry specialists who understand your needs, who are proactive and creative in identifying issues and who are flexible in providing solutions. Your team of Value Architects™ embody these traits.

Your handpicked team of professionals offers a collaborative focus supported by the breadth and depth of our firm's national resources. We believe in strong personal relationships, and this means a personal interest in The County from some of our most experienced team members.

### INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR THE COUNTY



**Carla Gogin, CPA, Partner**

**Role: Audit quality review partner**

Carla will continue to provide technical assistance to the audit team and to the County and perform quality reviews of the deliverables.

**Experience**

25+ years of government auditing experience



**Amanda Blomberg, CPA, Director**

**Role: Audit director**

Amanda will continue as the lead director for audit services. She will oversee the entire engagement process to ensure that every step and project is well planned and implemented, and the final deliverables are technically accurate and contain meaningful insights and recommendations.

**Experience**

20+ years of government auditing experience



**Justin Hoagland, CPA, Senior manager**

**Role: Senior audit manager – financial statement audit**

Justin will assist in the coordination of the financial statement audit services and be responsible for project management and communication between Baker Tilly and the County.

**Experience**

9+ years of governmental auditing experience



**Vasvi Joshi, CPA, Senior manager**

**Role: Senior audit manager – single audit**

Vasvi will assist in the coordination of the single audit services and be responsible for project management and communication between Baker Tilly and the County.

**Experience**

15+ years of governmental auditing experience

**INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR THE COUNTY**



**Leah Wipperfurth, CPA, Manager**

**Role: Audit manager – single audit**

Leah will work closely with Vasvi to coordinate the single audit services. She will oversee the senior and staff accountants during the audit process.

**Experience**

5 years of governmental auditing experience



**Logan Connors, Senior associate**

**Role: Audit senior associate**

Logan will oversee all aspects of the audit, including audit planning, fieldwork, and reporting.

**Experience**

2 years of governmental auditing experience

**THE COUNTY WILL RECEIVE TANGIBLE RESULTS WITH BAKER TILLY**

*All engagement team members are committed to the County's success. Their industry experience and service expertise translates into tangible results for the County.*

**Resumes**

Resumes for these key team members are included on the following pages.



**PARTNER**

## Carla A. Gogin, CPA

*Carla is the leader of Baker Tilly's Wisconsin state and local government team and leader of the firm's state and local government audit practice.*



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### Education

Bachelor of Business  
Administration in accounting  
University of Wisconsin-Madison

Carla, who has been with Baker Tilly since 1993, specializes in serving the financial needs of state and local government clients. Carla has assisted many municipalities and counties in implementing various Governmental Accounting Standards Board (GASB) pronouncements and to understand new auditing standards impacting the profession.

### Specific experience

- Partner of numerous municipality and county audits
- Partner of single audits in accordance with the Uniform Guidance
- Leader of the Wisconsin state and local government audit team
- Leader of the firm's state and local government audit practice
- Member of the Baker Tilly Public Sector Technical Committee (Industry Center of Excellence)
- Reviews and provides technical assistance to local governments in preparing Comprehensive Annual Financial Reports for the Government Finance Officers Association (GFOA) certificate program
- Provides Tax Increment Financing (TIF) and Business Improvement District (BID) auditing, reporting and consulting services
- Presents audit reports to local government boards and committees
- Provides GASB strategic planning and implementation services to clients
- Provides guidance on accounting policies and procedures to improve the operation of the accounting function and strengthen internal controls
- Provides a variety of accounting and budgeting assistance to municipalities
- Served as the Assurance Quality Leader for the firm's state and local government industry practice group 2011 – 2015
- Served as the firm's Chief Risk Officer from 2006 – 2011
- Served as the firm's partner-in-charge of quality from 2006 – 2008
- Licensed CPA in Wisconsin

## **PARTNER**

# **Carla A. Gogin, CPA**

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## **Industry involvement**

- American Institute of Certified Public Accountants (AICPA)
- AICPA State and Local Government Expert Panel (2012 – 2014)
- Former Baker Tilly International North American Accounting and Auditing Committee Chair (2006 – 2009)
- Government Finance Officers Association (GFOA)
- GFOA Special Review Report Review Committee
- Wisconsin Institute of Certified Public Accountants (WICPA)
- Wisconsin Government Finance Officers Association (WGFOA)
- Speaks at national and regional industry conferences
- Authors published articles on municipal accounting issues
- Recognized contributor to:
  - AICPA “State and Local Government Audit and Accounting Guide”
  - AICPA “State and Local Government Audit Risk Alert”
  - AICPA Checklists and Illustrative Financial Statements State and Local Governments
  - Journal of Accountancy “Risk Assessment Standards in Action” co-author
  - The municipality “Fraud in Government” co-author

## **Community involvement**

- Center for Advanced Studies in Business (University of Wisconsin-Madison) – Board Member (2017 to present)



**DIRECTOR****Amanda R. Blomberg, CPA**

*Amanda Blomberg, director in the state and local government group, has been with Baker Tilly since 2000.*

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**Education**

Bachelor of Business  
Administration in accounting  
University of Wisconsin-Eau Claire

Amanda specializes in providing financial audit, single audit and consulting services to governments. She also provides federal award compliance audits and consulting for foreign universities and for-profit entities.

**Specific experience**

- Leads financial audit and accounting engagements for cities, villages and counties in Wisconsin and Illinois
- Directs single audit engagements for municipalities and counties, including the City of Chicago
- Assists with federal award compliance audit engagements and consulting projects for for-profit entities and foreign universities
- Helps clients research and implement new accounting standards
- Provides Uniform Guidance implementation assistance
- Prepares and reviews financial statements and other statutory reports
- Assists municipalities with various accounting issues and questions
- Presents financial results and information to governing bodies
- Develops single audit work programs and leads training for the firm's single audit practice as a firm Professional Practice Leader
- Reviews quality of peer review engagements for the AICPA
- Speaks at local and regional conferences
- Authors articles for the public sector newsletter and presents for the state and local government webinar series
- GFOA Comprehensive Annual Financial Report reviewer
- Licensed CPA in Wisconsin and Illinois

## **FIRM DIRECTOR**

# **Amanda R. Blomberg, CPA**

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## **Industry involvement**

- American Institute of Certified Public Accountants (AICPA)
- Wisconsin Institute of Certified Public Accountants (WICPA)
- Wisconsin Government Finance Officers Association (WGFOA)
- AICPA Single Audit Advanced Certificate holder
- AICPA Peer Review Oversight – Single Audits

## **Continuing professional education**

- AICPA national governmental conferences and training programs
- WICPA governmental accounting updates
- WICPA "Accounting, Auditing and Financial Management Update"
- Various AICPA single audit webinars
- Accounting and auditing 2013 "ASL Inspector Training" (Baker Tilly)
- GASB seminars
- "IT Risk Assessment Standards (RAS) Training for Auditors" (Baker Tilly)
- "City of Chicago Ethics Training" (Baker Tilly)
- "Information Technology Risk Assessment Concepts for Financial Audit" (Baker Tilly)
- "Succession Planning: Why It's Still Relevant" (Baker Tilly)
- "Independence: Historical Insights and Today's Rules" (Becker Professional Education)
- "Common Fraud Schemes in Governments" (Baker Tilly)
- Energy and utilities training sessions (Baker Tilly)
- Government Financial Officers Association (GFOA) conferences and training programs including Generally Accepted Accounting Principles (GAAP) updates
- Wisconsin GFOA conferences and meetings
- Accounting and auditing updates sponsored by Baker Tilly
- Numerous single audit training sessions



**SENIOR MANAGER****Justin D. Hoagland, CPA**

*Justin Hoagland, senior manager, has been with Baker Tilly since 2012.*

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**Education**

University of Wisconsin–Madison  
Bachelor of Business  
Administration in Accounting and  
Finance

Justin specializes in providing accounting and auditing services, as well as single audits, to state and local government entities. This includes counties, cities, villages, towns and governmental agencies.

**Specific experience**

- Prepares financial statements for state and local governments
- Manages single audits of governmental units including cities, towns, villages and counties
- Manages financial audits of governmental units including cities, towns, villages and counties
- Performs audits and compilations of Tax Incremental Financing (TIF) districts
- Assists clients with implementation of standards of the Governmental Accounting Standards Board (GASB)
- Performs agreed upon procedure engagements
- Licensed CPA in Wisconsin

**Industry involvement**

- American Institute of Certified Public Accountant (AICPA)
- Wisconsin Institute of Certified Public Accountants (WICPA)

**Continuing professional education**

- Public sector accounting and auditing updates sponsored by Baker Tilly
- Audit Watch
- Single audit training sessions
- Wisconsin GFOA conferences and meetings

## SENIOR MANAGER

# Vasvi R. Joshi, CPA

*Vasvi Joshi, senior manager with the public sector practice group, has been with Baker Tilly since 2005.*



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## Education

Master of Commerce in  
 accountancy and auditing  
 Gujarat University – India

She specializes in providing accounting and auditing services to municipalities. Vasvi also has experience in financial and single audits of municipalities and counties as well as tax incremental financing (TIF) audits.

## Specific experience

- Manages financial audits of governmental units including cities, towns, villages and counties
- Provides TIF and business improvement district (BID) auditing, reporting and consulting services
- Helps clients implement new accounting standards
- Provides a variety of accounting assistance to municipalities
- Presents financial and audit reports to government bodies and committees
- Prepares financial and state reports for governmental entities
- Manages single audits of federal and state awards in accordance with Uniform Guidance
- Performs agreed upon procedures engagements
- Leads the state and local government annual technology changes
- Manages the CaseWare Power User team that updates various public sector templates

## Industry involvement

- American Institute of Certified Public Accountants (AICPA)

## Continuing professional education

- Tax Increment District Training
- TIF Compilation Training
- Internal Control and Fraud in Governmental and Nonprofit Entities
- SSARS Update
- Annual Governmental GAAP Update
- The new Other Postemployment Benefits (OPEB)
- WGFOA Winter Conference
- Ethics for CPAs
- Single Audit Updates



**MANAGER****Leah Wipperfurth, CPA**

*Leah Wipperfurth, manager with Baker Tilly, joined the firm in 2016.*

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**Education**

Bachelor of Science in accounting  
University of Wisconsin–La  
Crosse

Leah is a manager in firm's public sector audit group. She specializes in providing auditing and accounting services to governmental clients.

**Specific experience**

- Performs audit services for the public sector, including counties, cities, villages, towns, municipalities, utilities and other state agencies
- Performs single audits of federal awards in accordance with Uniform Guidance and the Wisconsin state single audit guidelines
- Performs internal control testing following risk assessment standards
- Compiles financial statements for governmental entities
- Compiles work papers necessary to execute audits
- Prepares annual reports for the Public Service Commission
- Licensed CPA in Wisconsin

**Industry involvement**

- Wisconsin Institute of Certified Public Accountants

**Relevant continuing education**

- Accounting and auditing updates (Baker Tilly)
- Public Sector accounting and auditing updates (Baker Tilly)
- Public sector single audit training (Baker Tilly)
- Valued Business Advisor – Assurance Academy

**SENIOR ASSOCIATE****Logan Connors**

*Logan joined Baker Tilly's state and local government practice in 2019.*

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**Education**

Bachelor of Business Administration,  
accounting and finance  
University of Wisconsin – Eau Claire

Logan specializes in audit services for governmental clients, including municipalities, counties and school districts.

**Specific experience**

- Performs audit services for municipalities, counties and school districts
- Performs internal control testing following risk assessment standards
- Compiles work papers necessary to execute audits
- Assists entities with implementation of new Government Accounting Standards Board (GASB) standards



## Staffing continuity

You have come to expect to see the same engagement team members every year and avoid the time and cost commitments of onboarding a new team. We view our commitment to staff continuity as the cornerstone of our lasting relationship with the County.

Exceptional professionals thrive at Baker Tilly because we cultivate an engaging culture through diversity and inclusion, work-life balance, continuous learning opportunities, career advancement and employee recognition. As a result, **we had our lowest firm turnover in a decade during fiscal year 2021.**

### Evidence of our team member-focused culture and commitment to excellence

Ranked as the ninth largest accounting and advisory firm in the U.S. according to INSIDE Public Accounting's 2021 Top 400 Firms list



Recognized as one of America's Best Large Employers in 2021 by Forbes



Received 250+ culture awards and workplace recognitions firmwide



Ranked as a top 10 accounting and advisory firm for workplace prestige and quality on Vault Accounting's Accounting 50 list; **culture** is the number one reason that team members join our ranks and stay at our firm



Certified as a Great Place to Work® for the fourth consecutive year



### CULTIVATING AN ENGAGING CULTURE

*Our commitment to attracting and retaining a top-quality workforce benefits The County through engaged team members and staff continuity.*

# Proposed method of performance

## Audit scope and purpose

You have requested audit proposals for the calendar years ending 2021, 2022, and 2023. The scope of our audit includes a financial audit of the basic financial statements and a compliance audit of the County's federal and state awards. Our audit will meet or exceed all performance specifications listed in the request for proposals.

Our audit will be made in accordance with generally accepted auditing standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA); the AICPA audit guide, Audits of State and Local Governmental Units; Government Auditing Standards issued by the U.S. General Accountability Office; OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the State Single Audit Guidelines, if required.

The primary purpose of the audit is to express an opinion on the financial statements of the entity subject to audit. Such an audit is subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered that lead to the belief that material errors, defalcations or other irregularities may exist, or if any other circumstances are encountered that require extended services, Baker Tilly will promptly advise an appropriate level of management.

The following will be prepared and presented at the completion of the audit:

- A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles and government auditing standards.
- A report on the County's supplementary information, including combining and individual fund financial statements, and on the County's required supplementary information, including management discussion and analysis and budget comparison schedules.
- A report on the schedule of federal and state financial assistance.
- A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
- A report on compliance with applicable laws and regulation.
- A report on the internal control structure used in administering federal and state financial assistance programs.
- A report on compliance with laws and regulations related to major and non-major federal and state financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal and state financial assistance programs, a report on compliance with general requirements applicable to major federal and state financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal and state financial assistance program transactions tested
- A report as required by Wisconsin Administrative Rule-Tax 16.



In the required reports on internal control, we will communicate any control deficiencies found during the audit, per the following categories:

- A **control deficiency** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.
- A **material weakness** is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, and corrected on a timely basis.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

At the conclusion of each audit, we will prepare a written report to the Finance Committee that covers the following:

- Auditor and management responsibilities under generally accepted government auditing standards
- Impact of new or updated Governmental Accounting Standards Board or other regulatory body pronouncements
- Significant accounting policies, and management judgments and accounting estimates
- Significant audit adjustments
- Disagreements with management
- Difficulties expected or encountered in performing the audit

If the County prepares official statements in connection with debt offerings, we will provide assistance as requested and consent to the inclusion of our report on the financial statements.

We will provide assistance for GASB standards implementation and other accounting questions over the contract period. Routine phone calls and questions are included in our audit services. We encourage you to call us with questions when they come up.

### **Audit plan methodology**

We use integrity, objectivity, competence and due care to provide high-quality audit, accounting and advisory services to our clients.

#### *Our objectives*

- Provide exceptional client service from a consistent team of individuals on a year-to-year basis
- Construct audit programs to streamline year-end procedures and improve value
- Issue audited financial statements within a timeframe that meets or exceeds management's expectations
- Utilize Baker Tilly resources to present a meaningful management letter
- Inform you of current and anticipated changes in professional standards that could affect you
- Provide services on a timely and cost-effective basis

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmations as deemed necessary. We will request written representations from your legal counsel as part of the engagement. At the conclusion of our audit, we will also request certain written representations from management about the financial statements and related matters.

When we perform an audit, we develop a thorough understanding of your activities, operating systems, personnel and special needs, using this information to plan a complete, but efficient audit. **Areas that require more attention are identified, and unnecessary or redundant procedures are eliminated.**

### Audit approach

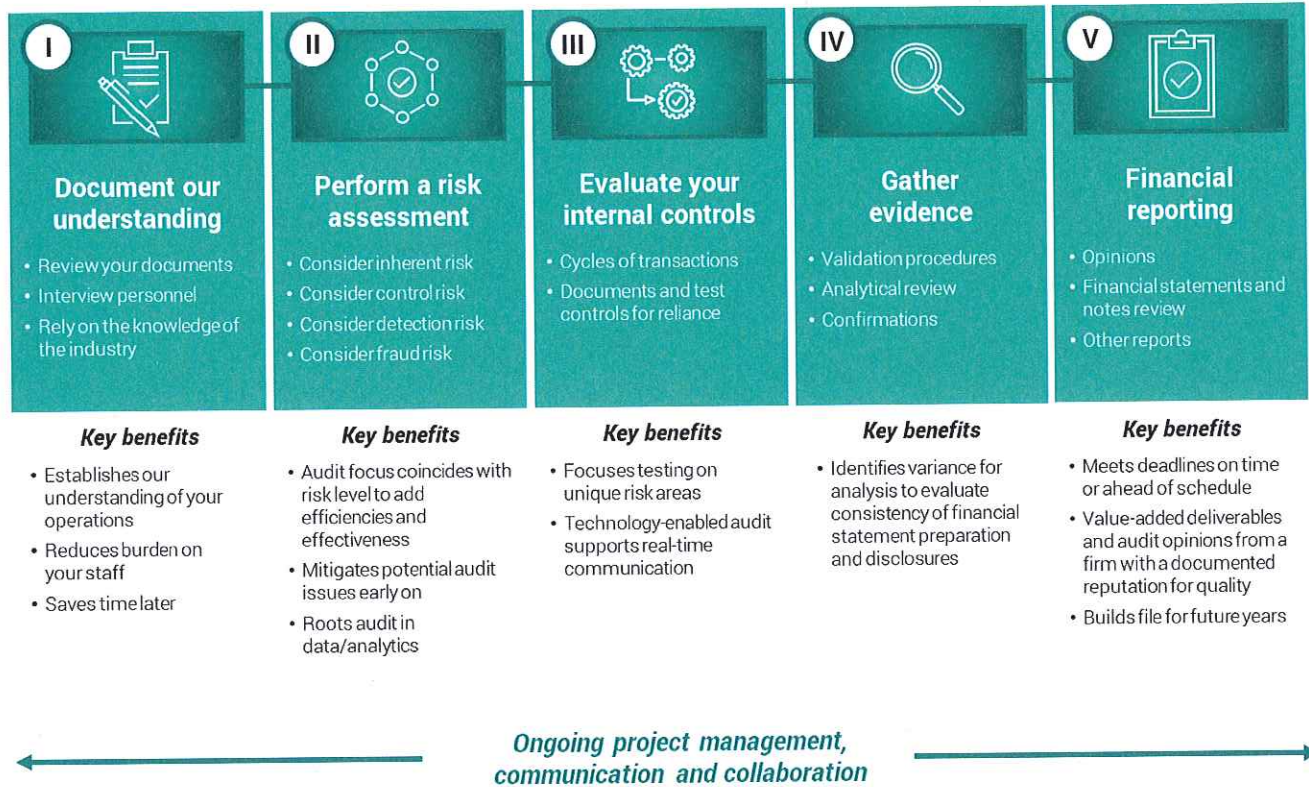
Our audits are divided into four main phases: planning, interim audit work, year-end audit work and reporting. A description of each of the areas follows.





## Steps in the audit process

You can expect to receive a quality financial audit without unnecessary procedures or work papers. Before completing internal planning, we will discuss our approach with you and modify our plans, as appropriate.



## Segmentation of the engagement

We have a proven audit approach that is tailored to the County and includes 10 work segments of the audit. Those segments, along with the anticipated audit procedures for each segment, have been taken one step further and customized for the County and are discussed below.

### *1. Engagement planning and administration*

- Prepare client information forms, obtain signed engagement letters and complete company independence procedures
- Review previous audit reports and internal control reports
- Prepare memorandum regarding overall County operations for permanent file records
- Complete staffing and scheduling summary
- Hold planning conference with engagement partner and in-charge auditors
- Hold planning and progress conferences with the County as needed
- Obtain all documents and information required for permanent file
- Read minutes of the County Board meetings
- Perform various testing of compliance with laws and regulations
- Develop and approve audit programs
- Accumulate points to be included in management letter and draft letter
- Review working papers for completeness
- Undergo partner-level working paper reviews
- Hold exit conference with key County personnel
- Make presentation to the Finance Committee

### *2. Risk assessment and internal controls*

- Perform entity-wide risk assessment procedures
- Conduct fraud interviews
- Determine major transaction cycles
- Perform evaluations of internal controls over major transaction cycles
- Complete information technology risk assessment
- Test internal controls as applicable
- Determine reliance on internal controls and resulting substantive audit procedures



### 3. *Cash and investments*

- Review ledger account entries and compare cash account balances
- Confirm year-end cash and investment balances with depositories
- Obtain bank reconciliations and substantiate reconciling items
- Substantiate cash cut-offs and interbank transfers
- Test investment transactions and interest earned
- Test market values of applicable investments
- Audit financial statement disclosures

### 4. *Revenue*

- Compare revenues to prior-year actual, current budget, or other expectations
- Analyze accounts with significant variations
- Confirm or otherwise validate accounts receivable and taxes receivable
- Confirm and reconcile state aids
- Reconcile other revenues to claims and invoices filed
- Perform a search for unrecorded receivables
- Review functional classifications of revenues for government-wide financial statements
- Test capital contributions
- Analyze allowances for uncollectibles

### 5. *Expenditures*

- Compare expenditures to prior years, budgeted amounts or other expectations
- Analyze accounts with significant variations
- Review accounts payable listings, determine proper cut-offs and test for unrecorded liabilities
- Validate prepaid items
- Verify vested compensated absence liabilities
- Test insurance-related accruals or IBNRs
- Determine appropriateness of other liability accounts, including accrued payrolls and related withholdings, retainages, and other liabilities
- Test pension information and disclosures
- Test other post-employment liabilities

### 6. *Property*

- Obtain capitalization policy for capital assets and infrastructure
- Obtain summary schedules of capital assets and infrastructure, including additions, retirements, and accumulated depreciation
- Test capital assets and infrastructure additions and deletions
- Test capital assets and infrastructure depreciation/amortization calculations

**7. Inventories**

- Observe physical inventories, if material
- Test pricing, quantities and extensions of final inventories

**8. Financing/equity**

- Verify bond and note balances owed
- Obtain information on new issues, if any
- Trace transactions to general ledger
- Re-compute interest expense
- Determine nature and appropriateness of net position and fund balance categories

**9. Financial reporting**

- Ascertain that all items of audit significance contained in the minutes have been considered and cross-referenced to the work papers
- Obtain a working trial balance
- Propose adjusting entries and obtain adjusted trial balance
- Review draft financial statements
- Perform subsequent events review to date of completion of fieldwork
- Obtain management and attorney representation letters
- Finalize required reports

**10. Single audit**

- Obtain schedule of federal and state awards and review for accuracy and completeness
- Obtain summary schedule of prior audit findings
- Determine major federal and state grant programs
- Review compliance requirements for major federal and state grants
- Test the County's internal control over compliance requirements that could have a direct and material effect on major programs
- Test compliance with laws and regulations governing the County's major federal and state grants
- Draft required single audit reports
- Draft schedule of findings and questioned costs
- Obtain responses to findings and the corrective action plan from the County, if needed
- Assist the County with completion and submission of the Data Collection Form after the County's review



## Approach taken in auditing departments

We understand that the activities of many County departments impact the annual financial statements. To provide proper audit coverage for these departments, we have designed a separate audit program for the collection and handling of cash, invoicing and other financial procedures commonly found within County departments. Additionally, we will evaluate the results of our risk assessment processes to determine if any additional departments require audit emphasis each year. Specifically, we plan to:

- Send the identified departments an internal control questionnaire to document the existing controls
- Review these questionnaires to evaluate the sufficiency of the controls
- Visit the departments to perform “walk-throughs” as a test that the control exists and is functioning as intended
- Provide recommendations when control deficiencies are identified
- Evaluate the results of the departmental control analysis to determine the nature and extent of further audit procedures. This may include validation tests for specific revenue and expenditure accounts and testing of other source documents

The specific audit coverage each year is driven by the risk assessment process. Transaction cycles of the major financial process are evaluated each year to determine inherent and control risk. Many factors are included in this evaluation, such as materiality, number of transactions, experience of County staff, prior audit findings, nature of activity during the year, etc.

Once the significant cycles are identified and this risk assessment process is complete, we will customize our audit work programs, which will detail the specific audit coverage.

A critical component of the risk assessment process is the information accumulated through communications with the County’s management. Based on these communications, along with other assessments, we may deem certain department activities to be of higher or lower risk in any given year.

Studies on fraud have shown that auditor contact with departments can be a deterrent to fraud. Therefore, we perform risk assessments on the County’s activities annually.

In addition to the procedures contained in the “Segmentation of the engagement” section, the following are some of the audit procedures we perform:

- Review cash receipting and disbursements processes
- Test reconciliation procedures
- Test supporting billing records
- Perform analytical review procedures
- Test for compliance with federal and state laws and regulations

## PROPOSED METHOD OF PERFORMANCE

Following is a partial listing of the departments that may be tested during the audit:

- Clerk of courts
- Clerk's office
- Treasurer
- Child support
- Human services
- Nursing home
- Register of deeds
- Register in probate
- Land conservation
- Sheriff's department
- Emergency management
- Planning and development

We will perform the appropriate level of departmental audit procedures based on our risk assessments to meet the auditing requirements and provide recommendations for improvements.

### Level of staff and hours

Estimates of the time requirements for the 2021 audit to be provided by staff level are as follows:

	Partner/ Director	Manager	Senior	Staff	Totals
Planning and administration	15	20	20	5	60
Risk assessments and internal control	5	5	5	5	20
Cash/investments			5	20	25
Revenues			10	30	40
Expenditures			10	40	50
Property/inventory			10	10	20
Financing/equity			5	5	10
Financial reporting	10	10	15	15	50
Single audit	10	30	35	75	150
<b>Total hours</b>	<b>40</b>	<b>65</b>	<b>115</b>	<b>205</b>	<b>425</b>

The audit hours are based on what we have actually spent, on average, over the past couple of years.



## Sample sizes and statistical sampling

We may plan to use audit sampling throughout phases of our audit because we believe this allows us to perform an audit that is more cost beneficial to our clients. We have identified the following audit sampling tests that may be used on the County's audit. They include:

- Substantive tests of details of balance sheet accounts
- Tests of controls
- Tests of compliance with laws and regulations

After we have reviewed and evaluated the County's internal controls, we will make decisions on the internal control procedures we intend to test. We will set parameters regarding the expected error rate, audit risk, and tolerable error rate in order to determine the sample size we will generate. We may perform these procedures in the following areas:

- Cash receipts
- Cash disbursements
- Payroll
- Journal entries

We also plan to use audit sampling to perform substantive tests of certain balance sheet accounts, including accounts receivable and recorded vouchers payable. Our firm has customized statistical sampling tools that are in full compliance with all professional standards.

We expect to use the following sample ranges; however, these may increase or decrease based on the results of our understanding of the County's internal controls:

Tests of controls	Sample ranges
Cash disbursements/expenditures	40-80 documents
Payroll	40-80 documents

## Use of electronic data processing (EDP) software

Our approach to computer auditing encompasses two distinct activities: the system review and computer-assisted audit procedures.

The first activity represents the basis for our evaluation of internal controls in a computer environment. Our understanding of your EDP organization and system can assist management in evaluating the effectiveness and efficiency of program operations. Our approach to computer auditing enables our auditors to identify information regarding the strengths and weaknesses of the various systems, which will be used to design our audit program.

Audit work activities associated with the system review include:



The second activity included in our computer audit approach permits us to use the information gathered during the system review to enhance our audit procedures.

Baker Tilly minimizes fees by conducting a virtually paperless audit using proven processes and Global Focus US, a comprehensive auditing software solution. In addition, we use TeamMate Analytics (TMA), software that creates compatibility between your data and our systems in order to effectively convert and compile information. This investment in technology supports real-time communication — both internally at Baker Tilly and with the County — and provides a seamless trail from initial planning through the final financial statement issuance.



- Efficient
- Cost effective
- Risk linkage
- Continuous communication
- International alignment

We also use Global Focus US to assist us in determining the extent of detailed account analysis to perform. By entering data from your budget reports into our program, we are able to analyze account relationships, which help us concentrate our efforts on accounts that are most relevant to the audit.

Baker Tilly is alert to the part technology plays in almost every organizational operation, and we provide a full range of technology risk services. You can rely on your engagement team to combine their industry experience with technology expertise to deliver customized solutions tailored to your specific needs. Our dedicated team of technology professionals can provide high-level insights and solutions. These specialists hold top credentials, including Certified Public Accountant, Certified Internal Auditor, Certified Information Systems Auditor, Certified Information Systems Security Professional, Certified Financial Systems Auditor and Certified Fraud Examiner. We can work with you to ensure your organization derives the appropriate level of value from its technology investments and effectively protects information assets from threats.



## Embedding innovation to add efficiencies and insight for the County

A key factor in your success is an ability to quickly adapt to new innovations and adjust to changing regulatory environments. Our firm's investment in technology is an investment in helping you do both.

Efficiency	Accuracy	Focus	Insight	Impact
We will spend more time on high-value activities because we can streamline workflows through automation and scripting.	Machines and programs process information consistently and comprehensively, providing a reliable check on human error.	Technology removes repetitive, low-value tasks from our work, so we can focus on creating custom solutions and tailored insights.	With analytics, data can be retrieved, sorted and analyzed in new ways to reveal trends and opportunities that address your needs and challenges.	We can provide the right tools to enhance and protect your value – making a lasting difference now and into the future.

### TECHNOLOGIES IMPROVE THE COUNTY'S EXPERIENCE

*The County, not Baker Tilly, is the true beneficiary of our technology investments. These technologies increase the value we deliver to you as our client because they improve the way we work.*

## Powering the County's engagement with technology tools

We use a range of technology tools, as detailed below, that infuse efficiencies and value into the engagement.

	BENEFITS TO THE COUNTY	WHAT WE OFFER
<i>Assurance</i>	The County will receive an exceptional work product with industry-specialized templates and content.	Global Focus US is Baker Tilly's proprietary version of CaseWare.
<i>Research</i>	The County can expect us to stay up to date on relevant accounting pronouncements – and how we can apply them for your business/organization.	Accounting Research Manager and Checkpoint help us research industry challenges and trends.
<i>Data conversion</i>	Your management team will receive data in a visual format that illustrates the linkage between risks, controls and procedures.	IDEA, TeamMate Analytics and Tableau help us assess financial statement accounts and related risks.
<i>Secure collaboration</i>	the County can expect secure and seamless collaboration, visual presentations and remote check-ins.	Huddle enables collaboration anywhere, anytime and on any device; Microsoft Teams is our enterprise meeting platform.
<i>Robotics process automation (RPA)</i>	The County will experience efficiencies and improved processes.	RPA enables us to reduce manual processes and increase productivity.

### THE COUNTY WILL BENEFIT FROM OUR TECHNOLOGY INNOVATIONS

*We offer a variety of technology tools to provide efficiencies and value-added insights to the County's engagement.*

## **Type and extent of analytical procedures**

Analytical procedures may range from simple comparisons to complex models involving many relationships and elements of data. Generally accepted auditing standards require the use of analytical procedures in all audits of financial statements.

Our analytical procedures are performed at three points during the audit process — during planning as a tool to assess risk, during fieldwork as a substantive test of account balances and transactions, and during the final review of the financial statements to evaluate overall financial presentation and disclosure.

Analytical procedures are performed during our planning to help us determine where we might need to focus additional attention.

Analytical procedures are performed as a substantive test using the County's trial balance and budget report prior to audit entries. In-charge auditors review the current-year information and compare it to prior-year actual amounts, the current budget and other expected results. Variances to our expectations — figures that exceed a predetermined threshold level, both from a percentage and from a dollar amount perspective — are highlighted for further investigation. This investigation includes reviewing detail transactions, vouching a sample of transactions, discussions with management and validation techniques. Explanations of variances are documented in our file, and the results are used to determine the extent of any additional audit testing. Final analytical review takes place after all audit entries are posted during the preparation of the financial statements. Variances in financial statement line items are analyzed to evaluate consistency of financial statement presentation and disclosures.

## **Understanding the County's internal control structure**

Our audit process stresses the importance of evaluating internal controls, especially under the risk assessment standards. We perform a thorough evaluation of the effectiveness of your internal controls in order to perform risk assessments and design a risk-based audit program.

During preliminary work, we will update our understanding of your internal controls, and evaluate and test internal controls over the significant accounting and reporting systems of the County. These evaluations will enable us to determine how much reliance we can place upon the systems for audit purposes and the amount of systems testing and account verification work that may be required.

In addition, all significant suggestions, questions or other comments resulting from these evaluations will be discussed with appropriate personnel.

After we have evaluated the internal controls, we will test the flow of data through the systems to determine:

- Whether the data actually follows the prescribed procedures and controls within the system
- The degree of clerical accuracy achieved in recording and summarizing the data



## **Determining laws and regulations subject to audit test work**

Since the County is required to have a single audit, the audit scope regarding compliance with laws and regulations is substantially broader than a standard audit conducted according to GAAS. We have developed our own approach to satisfy both the single audit and GAAS requirements.

### ***Compliance testing approach***

Uniform Guidance requires we test for compliance with laws and regulations that could have a material effect on the allowability of program expenditures. Therefore, we will test financial transactions as well as specific program requirements.

After we have determined which federal and state programs are major, we will develop the approach to test a specific program. We know certain programs incur costs that are administrative in nature, consisting primarily of salaries, wages and fringe benefits. For these programs, we will randomly select a representative sample of payroll costs to test. Our sample will be derived from the personnel assigned to that particular program.

Other programs, however, do not have substantial personnel costs. Those programs involve the purchasing of goods or services from outside sources, including vendors and not-for-profit agencies. Our approach to these types of programs would be to select a representative sample of charges to that program from the County's transaction history reports.

For programs that involve both significant personnel costs and costs from outside sources, our approach would be a combination of the procedures identified above.

Because we also are testing for compliance with administrative laws and regulations, we will be testing representative samples from each major program. Most of our testing will involve the eligibility of persons assisted by that program. We will select case files to review from the County's records of clients served during the period.

OMB's Compliance Supplement identifies 12 significant areas that may apply to each federal award subject to the 6-requirement mandate. We have developed our own work programs tailored for the County.

We have developed software to assist with the determination of major state programs funded by the Wisconsin departments of Health Services and Children and Families. This program has helped many of our clients prepare the Schedule of Expenditures of Federal and State Awards.

*Audit conducted according to GAAS requirements*

Our dedicated team is immersed in the industry, with substantial knowledge of various laws and regulations dealing with government accounting, budgeting, financing and reporting. With this knowledge, we developed our own audit work program, which we will use on the audit. The work program covers such areas as:

- Authorization of depositories and types of allowable investments
- Arbitrage compliance and rebate requirements
- Budgeting procedures and reporting requirements
- Restrictions on expenditures and matching requirements
- Taxing and debt limits

In addition, we will obtain information from the management of the County on other significant laws and regulations that could materially affect the basic financial statements in the event of noncompliance.

*Audit conducted according to single audit requirements and GAO standards*

These standards require we perform additional tests in order to provide reasonable assurance that federal and state award programs are in compliance with laws and regulations governing those programs. We will test all major federal and state programs as well as non-major program transactions selected for other audit purposes.

We will use the following documents for guidance in determining the laws and regulations applicable to the County's federal and state award programs:

- The Single Audit Act Amendments of 1996
- GAO Government Auditing Standards
- OMB Compliance Supplement
- Uniform Guidance for Federal Awards
- Code of Federal Regulations
- Catalog of Federal Domestic Assistance
- State Single Audit Guidelines

As a practical matter, most of the significant laws and regulations that affect the County's single audit programs can be found in OMB's Compliance Supplement and the State Single Audit Guidelines.

For any major federal program not listed in the Compliance Supplement and any state program not listed in the Wisconsin State Single Audit Guidelines, we will determine the significant compliance requirements by reading the applicable statutes, grant agreements and policy manuals. We also will contact federal and state agencies for technical assistance, if deemed necessary.



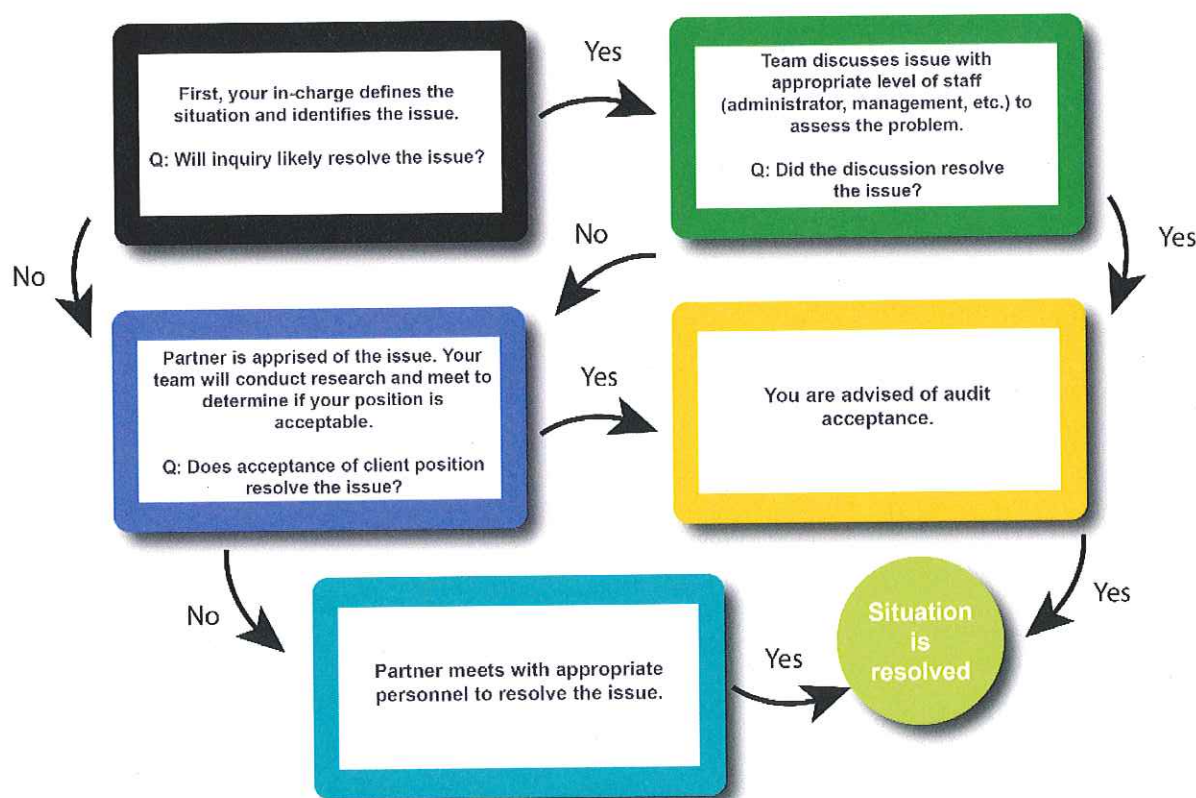
### *Approach to be taken in drawing audit samples for purposes of tests of compliance*

Our testing of compliance and internal control over compliance will follow the requirements of the AICPA sampling guidance. Each major program tested during the single audit will have samples pulled for each of the applicable compliance requirements. The sample sizes will depend on the number of transactions in the population.

### **Identification of anticipated potential audit problems**

We will regularly communicate new developments in auditing and accounting standards throughout the year, not just at the time of the audit. Information needed to address your technical matters will be addressed promptly, typically at the time new accounting pronouncement rules are adopted, providing you with prompt responses to any matters affecting you.

We do not anticipate any potential audit problems. However, should they arise during the course of our work, this is the approach we generally take:



# Appendix I: Client satisfaction

## The Baker Tilly difference is your client experience

The County has one-of-a-kind needs as a state and local government organization, and we are here to meet them as your Value Architects™. Our ability to enhance and protect value begins with a strong, collaborative working relationship between the County and Baker Tilly.

### *A client-centric way of doing business*

The County's definition of satisfaction is the only definition that matters. We ask. We listen. We improve. From associate to managing partner, we learn about your organization. Through knowledge sharing and free-flowing discussions, you will experience the value of working with a team of professionals that focuses on you and your success – a team that dedicates itself to:

- Proactively meeting your needs by fostering an atmosphere of trust, responsiveness and respect
- Taking responsibility for developing and sustaining a strong working relationship
- Enhancing and protecting value in ways that increase your satisfaction and loyalty
- **Enhancing value:** growth-oriented and transformation-enabling services, support and advice to help create and grow additional enterprise value
- **Protecting value:** helping you adhere to legal, governance and/or regulatory requirements while eliminating risks and improving operating efficiencies
- Consistently applying the characteristics of the Baker Tilly client service model to everything we do

Above all, it means **we are continually working to provide a return on your client experience.**

### *Our client experience philosophy: "Now, for tomorrow"*

"Now, for tomorrow" is our value proposition for the County. These three phrases capture what we stand for every day: **great relationships, great conversations and great futures.**

We truly value the relationships we work so hard to build. We have tomorrow's conversations, today. We embrace the unknown because of the possibilities it brings. At Baker Tilly, "Now, for tomorrow" is much more than a tagline. It captures the complex dynamic of current actions and future outcomes.

Making decisions today to shape tomorrow is never easy. It is even more challenging when disruption is all around us: from unprecedented technology advancements to sweeping legislation, shifting demographics, a new competitive landscape and changing client needs. To be successful, we must be indispensable to the County, learning and working together as a team to leave a legacy that can make us all proud. And we will make this commitment to the County as your Value Architect™.



## The Baker Tilly Client Experience (BTCX) program

### *Measuring client satisfaction through the value of our relationship with the County*

Your satisfaction is always our first priority. Because every client is unique, we believe in measuring each client's satisfaction holistically. The new BTCX program helps us dive deep into client relationships so we can serve as your Value Architect™.

BTCX helps us better understand the County, your needs and how we can better meet them. The better Baker Tilly understands the County, the better the relationship we can build and the better the results we can deliver throughout the year.

### *How it works*

We measure client loyalty and satisfaction by our Net Promotor Score (NPS) – a standardized client satisfaction and service quality metric based on a single survey question that determines the likelihood of recommending our services.

We also ask probing questions to know why clients chose that rating. This index measures the willingness of customers to recommend a company's products or services to others. Indirectly, it provides a dimensional view into the retention of our client base.

### Our world-class NPS

According to [ClearlyRated](#), the 2021 Accounting Industry NPS Benchmark for firms operating in the U.S. is 38.

**Baker Tilly's average NPS is 73 – placing us among the top firms in delivering world-class service.**

### *Using Qualtrics to calculate our NPS*

Our firm uses Qualtrics, an industry-leading survey technology, to send relationship surveys to a random selection of clients. On a scale of 1 to 10, where 10 is the highest, we ask clients: *How likely are you to recommend Baker Tilly to a friend or colleague?* **Based on survey results, Baker Tilly received a 73 NPS score.**

Per [ClearlyRated's annual benchmarking report](#), the 2021 Accounting Industry NPS Benchmark for firms operating in the U.S. is 38 – placing Baker Tilly among the top leaders in client satisfaction, as shown in the graphic below.



### BAKER TILLY IS A LEADING FIRM IN CLIENT SATISFACTION

*Clients gave Baker Tilly an average NPS score of 73 for fiscal year 2021 – placing us among world-class leaders in client satisfaction.*

## Appendix II: Prioritizing diversity, inclusion and belonging (DIBS)

At Baker Tilly, diversity, inclusion and belonging is who we are rather than what we do. Creating an environment where all team members are valued empowers us to bring our authentic selves to work each day. When our contributions reflect our individual best, we achieve better results for the County.

Belonging is a core Baker Tilly value. We foster a deep level of mutual respect where each one of us feels seen, heard, valued and connected. Each team member commits to upholding a diverse and inclusive workplace driven by fairness, compassion and equality.

Throughout our firm, you will find our DIBS philosophy and practices embedded into everything we do. We hire people who bring new perspectives and experiences. We embrace our differences and believe a more open, connected world serves everyone better. DIBS is the lens that helps us see things more broadly and lights the path for us to follow. This benefits our people, our clients and our communities.

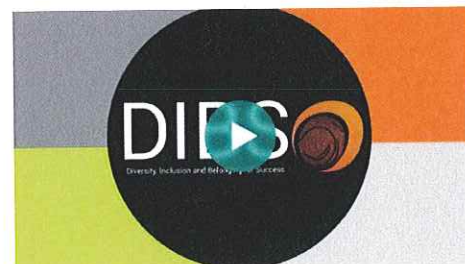
### *DIBS steering committee*

Baker Tilly's national DIBS steering committee is designed to strengthen our firm's culture of diversity, inclusion and belonging. Theresa Nickels, principal and general counsel, chairs this committee.

A cross-section of leaders across our firm oversee our strategy — from inclusion-related communications to accountability measures for our key diversity goals and coordination of our signature initiatives described below and on the following pages.

**We choose to embed DIBS into all aspects of our business from strategy to operations.**

**From how we recruit, develop and promote team members, to the way we serve clients, manage projects and treat each other.**



### **COMMITMENT TO DIBS**

*We invite the County to listen to how we celebrate and value the contributions of every team member across our firm.*





### *Growth and Retention of Women (GROW)*



Through our GROW initiative, Baker Tilly provides women valuable opportunities to network, share their stories, acquire skills, strengthen professional relationships and advance in their careers. Our commitment to GROW increases the number of women in management positions, enhances the retention of women at all firm levels, creates an environment where women feel empowered and supports our advocacy of advancing women in business. It also helps us share knowledge gained with clients and creates a workforce that reflects our client base.

### *Supporting Opportunity, Advancement and Retention for all (SOAR)*



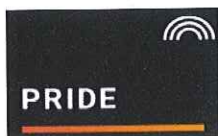
SOAR focuses on improving inclusion and increasing retention of team members of color to create a more inclusive, innovative and productive workforce. Diversity makes each of our professionals unique; inclusion is how that unique team collaborates to achieve common goals. Our SOAR strategy rests on four key pillars: talent acquisition, advancement, education and awareness, and recognition.

### *NexGen: joining workforce generations*



Today, four generations coexist in the workplace — baby boomers, Gen X, millennials and Gen Z — and each brings unique viewpoints influenced by events and experiences in their lifetime. With NexGen, we aim to empower the next generation of team members to collaboratively engage in our firm's progress while promoting an overall investment in our future. Key components of NexGen's vision involve discovering how different generations can build rewarding professional relationships that are mutually beneficial. NexGen amplifies the voices of our firm's next generation of professionals, providing leadership and growth opportunities along the way.

### *PRIDE team member network*



Our PRIDE team member network exists to support the LGBTQ+ community and their allies within Baker Tilly. We strive to create an open environment centered on LGBTQ+ issues and topics relevant to the workplace. This effort includes the involvement, support, understanding and acceptance from colleagues across our firm.

### *Racial Equity Action Plan (ACTION) and focus on social justice*



Our firm developed an ACTION plan to support our strategic goal of increasing the retention of team members of color and also to create positive change in our communities and our profession. As initial steps in our plan, we convened our DIBS steering committee and formed a racial equity advisory group consisting of a diverse group of team members. We then worked closely with a highly respected consulting firm to assess the current state of our workplace as it relates to diversity,

inclusion and racial equity. We used their recommendations to refine our DIBS strategic plan and inform the next steps in our journey.

Over the past year, Baker Tilly team members have taken the time to have difficult conversations and reflect deeply. Colleagues shared stories of how racism and discrimination affect their daily lives — stories they did not feel comfortable sharing before. Others gained new insight into their own unconscious biases and the steps needed to overcome them. As a firm, we are committed to continue on this learning journey and achieve tangible results together.

### *Baker Tilly Foundation support for racial justice advocacy*



As a firm, we have made our position clear: we stand against racism and discrimination in any form. The Baker Tilly Foundation's board of directors, with input from our team members, recently selected key racial justice organizations as recipients of direct financial support from our firm with a commitment to match team member donations. Additionally, our local SOAR committees support social justice causes across the United States through event sponsorship, fundraising initiatives and volunteer engagement.

### *Tone from the top: CEO Action for Diversity & Inclusion*

#### **CEO ACTION FOR DIVERSITY & INCLUSION**

Baker Tilly is a member of CEO Action for Diversity & Inclusion, a steering committee of CEOs focused on making diversity and inclusion a business priority. CEO Action for Diversity & Inclusion is the most extensive alliance of business leaders openly committed to sharing successful diversity initiatives and lessons learned.

As a member, Baker Tilly pledges to:

- Make our workplace a safe place to have open conversations about diversity and inclusion
- Implement and expand unconscious bias education
- Share best, and unsuccessful, practices
- Create and share strategic inclusion and diversity plans with our board of partners

“

We do not view diversity, inclusion and belonging as a program or something we “have to do.” We genuinely believe this is who we are. This includes the way we recruit, how we develop and promote team members, how we serve clients and how we treat each other. This is not easy to do. It is much easier to roll out a program as “evidence” of our commitment. However, we are not interested in scratching the surface. We want to effect change for the long run — in our firm and in our profession.

*Baker Tilly CEO, Alan Whitman*



**Baker Tilly US, LLP**

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# Sauk County, Wisconsin

*Cost proposal for professional auditing services*

**December 6, 2021**



PART FIVE  
COST PROPOSAL/SIGNATURE PAGE  
SUBMIT SEPARATELY FROM TECHNICAL PROPOSAL

The submission of a proposal shall be considered as a representation that the proposer has carefully investigated all conditions, has full knowledge of the scope, nature and quality of work required, and is familiar with all applicable Federal, State and Local regulations that affect, or may at some future date affect the performance of the contract.

The proper submission of this form by the proposer will be considered as the proposer's offer to enter into a contract in accordance with the provisions herein set forth. Submission of this form acknowledges that the proposer is licensed to practice in Wisconsin. Submission of this form also acknowledges that the proposer is independent of Sauk County as defined by generally accepted auditing standards.

If your proposal is accepted and a contract issued, then this Request for Proposal and all documents attached hereto including any amendments, the Contractor's price proposals and any other written offers/clarifications made by the Contractor and accepted by the County, will be incorporated into the entire contract between the County and the Contractor, and it shall contain all the terms and conditions agreed on by the parties hereto, and no other agreement regarding the subject matter of this proposal shall be deemed to exist or bind any of the parties hereto.

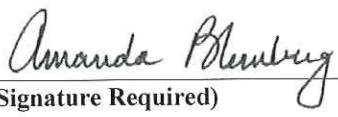
Acceptance will take place only upon award by the County, execution of this document by the proper County officials, and delivery of the fully-executed contract to the successful proposer. The contract may only be amended by written agreement by the Auditor and Sauk County.

**ATTACH YOUR COST PROPOSAL TO THIS FORM AND RETURN THE ORIGINAL AND FOUR (4) COPIES IN ACCORDANCE WITH THE INSTRUCTIONS AS NOTED IN THE REQUEST FOR PROPOSAL.**

CONTRACTOR (To be signed by the person authorized to legally bind your firm to this contract)

All proposal conditions and prices submitted shall remain firm for at least 90 calendar days following opening.

Contractor's Firm Baker Tilly US, LLP Telephone No. (608) 240 2386  
Mailing Address 4807 Innovate Ln, PO Box 7398 Fax No. (608) 249 8532  
City, State, ZIP Madison, Wisconsin 53707 E-mail address amanda.blomberg@bakertilly.com  
Contractor's web site address bakertilly.com  
Contractor's FEIN 39-0859910 DUNS # 07-616-1934

BY:  Name: Amanda Blomberg  
(Manual Signature Required) (Typed or Printed)  
TITLE: Director Date: December 2, 2021



# Cost proposal

*Value means more than simply checking boxes and meeting your requirements. Value means services that lead to meaningful insights and that give Sauk County and your stakeholders peace of mind.*

## Delivering a professional fee estimate

We are excited about the opportunity to continue working with the County and have prepared the below fee estimate to meet the County's needs and objectives. Our fees allow for thorough and insightful advice from experienced professionals.

## Schedule of professional fees and expenses

Note: Baker Tilly guarantees these rates for the duration of the 2021 audit.

STAFF LEVEL	HOURS	STANDARD HOURLY RATES	QUOTED HOURLY RATES	TOTAL
Partner/director	40	\$450	\$300	\$12,000
Manager	65	\$300	\$200	\$13,000
Senior associate	115	\$180	\$125	\$14,375
Associate	205	\$150	\$100	\$20,500
Subtotal	425	-	-	\$59,875
Rounding	-	-	-	\$(75)
Out-of-pocket expenses (meals, lodging, travel, etc.)				N/A
2021 TOTAL COMPENSATION PROPOSAL FOR AUDIT				\$59,800
2022 TOTAL COMPENSATION PROPOSAL FOR AUDIT *				\$61,900
2023 TOTAL COMPENSATION PROPOSAL FOR AUDIT *				\$64,100

\*The current pricing assumes the County does not have any material leases under GASB 87 to report. If there are material leases to disclose, we estimate additional annual fees of \$1,500 - \$2,500 for the testing needed related to this new standard.

### *Avoiding surprises and a nickel-and-dime billing approach*

Routine phone calls, emails and quick consultations are included in the County's fee estimate. We will not bill the County for every question, comment or concern, and we encourage you to discuss any unusual transactions with us to gain efficiencies for year-end.

If an issue arises, your engagement team members will work with you to determine what assistance is required and arrange an appropriate fee at that time. We will tell you if the assistance you need is out of scope, and we will not perform additional work without approval.

### *Detailing our assumptions*

Our estimate is based on the below assumptions. Should any of these change during the engagement, we will contact the County and prepare a change order detailing the new requirements and corresponding budget impact. We will not perform additional work without the County's approval.

The engagement assumptions include:

- Minimal client initiated or audit adjusting entries.
- Fees do not include bookkeeping or accounting assistance for preparation of the audit working papers.
- Consistent County staffing.
- Up to four major federal programs and five major state programs, which assumes low-risk auditee status and minimal findings. If the number of major programs increases due to a change in auditee risk, new funding sources, or significant findings, additional fees may be charged.

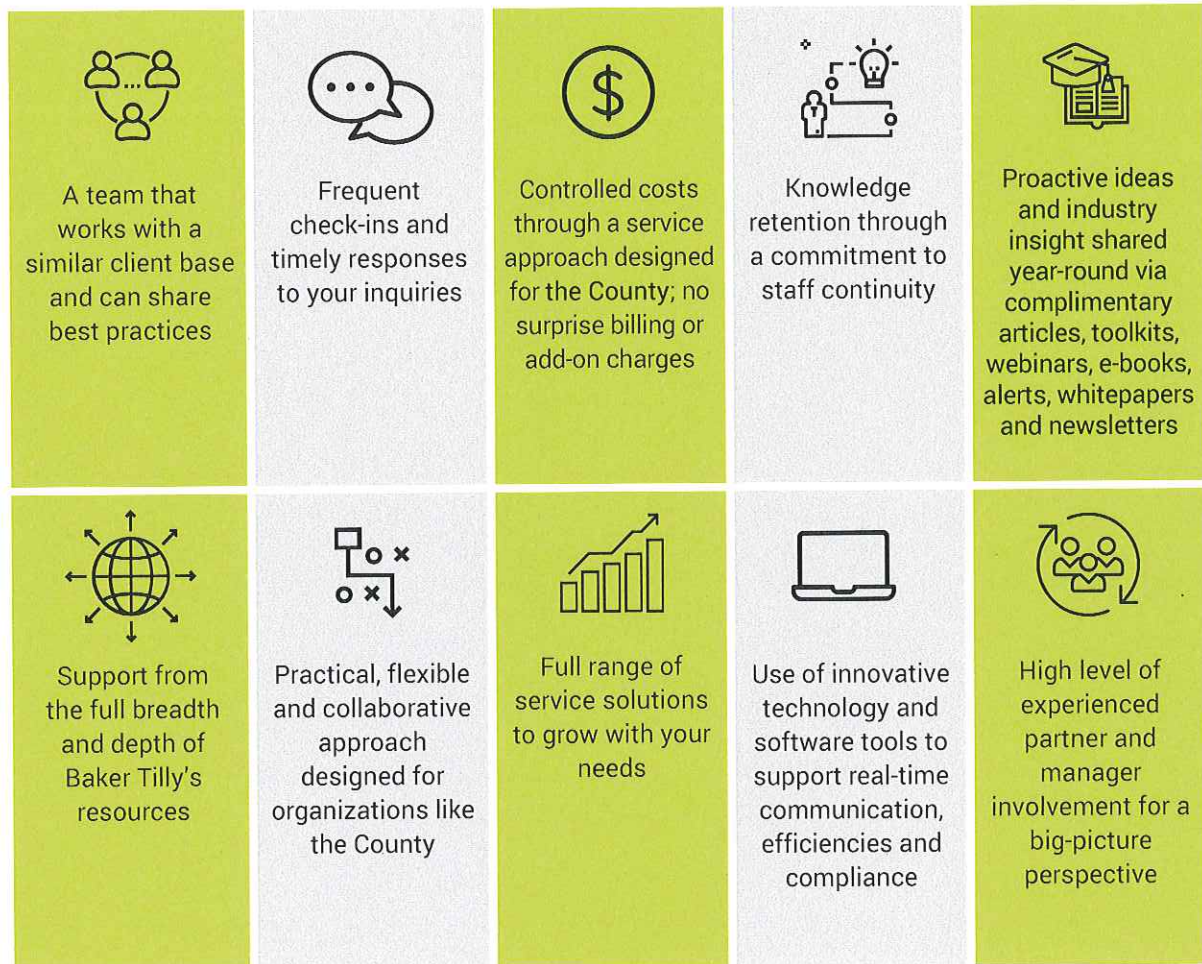
### **Terms and conditions**

Per RFP Part 3, Section 2.0, we respectfully take exception to RFP Part 2 Section 1.4.1 and RFP Part 3, Sections 12.0, and 18.1. If selected, we will provide the County with a copy of our standard audit engagement letter for review. Should the County wish to incorporate specific language from the RFP or proceed on the basis of its own format agreement, we will require the ability to negotiate mutually acceptable terms and conditions prior to executing a final contract. This is consistent with past practice.



## Supporting the County with our value-for-fees approach

We will provide quality service to the County for a fair and reasonable fee. Below is an overview of our value-for-fees approach and how it benefits the County.



### COMMITMENT TO VALUE FOR FEES

*The County can expect exceptional service paired with a fair, competitive fee arrangement that allows us to deliver continuous value throughout our relationship.*

//

I really value our relationship with Baker Tilly. It's nice to be able to call them and get reassurance on certain things we are considering doing, to review with them if it seems like a good idea, what we might be missing and to have that be a client service expectation and not an additional service.

*Chief financial officer*