



#23-14
HOPKINS & ASSOCIATES
Certified Public Accountants

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Granville, IL 61326

1718 Peoria St.
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306 Backbone Road East
Princeton, IL 61356

January 20, 2023

Members of the County Board
Marshall County
Lacon, IL 61540

Dear Board Members:

Thank you for asking us once again to submit a bid for the annual audit of Marshall County for the years ended November 30, 2024, 2025, 2026, and 2027. We currently have an agreement in place through the November 30, 2023 audit.

Our audits of the County Government will be conducted in accordance with generally accepted auditing standards and government auditing standards including the requirements of GASB # 34 for each year. We will audit all funds of the County government.

For each year, we will audit the financial records of the County, prepare the audit report, report on internal control and compliance, assist with preparation of the GATA submission, and file the annual comptroller's report. We will also complete the compliance audit of the Marshall County Circuit Clerk's Office. An audit in accordance with the Single Audit Act as prescribed by the Office of Management and Budget will be performed if the County's expenditures of federal funds exceed \$750,000 during the fiscal year.

We will have each audit completed **within 75 days** of your presentation to us of the completed financial records. We will start each annual audit as soon as the books are closed for the fiscal year in early December. We will present the audit report at your county board meeting and include recommendations on accounting procedures, internal control, and other aspects of the County's finances.

Barring unforeseen circumstances, the fee for the above services for the years ended 2024 - 2027 will not exceed \$34,000 per year (this is \$1,000 higher than the annual fee for the FY 22 and 23 audits) for the audit of the County government and will not exceed \$5,000 per year (the same as for the FY 22 and 23 audits) for the compliance audit of the Circuit Clerk's Office. If the fees will exceed the above maximum, we will discuss this matter with the board before proceeding. The audits have gone very well in recent years, so I have not increased our fees as much as I would for a normal audit client.

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If the expenditure of federal funds exceeds \$750,000 for the fiscal year, then the audit fee will be increased by \$3,500 for each of the fiscal years encompassed by this bid to comply with the additional audit and report requirements of the Single Audit Act. If this increase in federal expenditures is the result of securing a grant, these additional fees are usually covered by the grant proceeds.

The summary of the total proposed fees is as follows:

	<u>2024 - 2027</u>	<u>Single Audit</u>
Audit of County Financials	\$ 34,000	\$ 3,500
Circuit Clerk Audit	<u>5,000</u>	<u>-</u>
Total Cost	<u>\$ 39,000</u>	<u>\$ 3,500</u>

If this bid is acceptable to you, please let us know and we will prepare an engagement letter for each year which will serve as our contract. I have attached a copy of our most recent peer review report with this bid. The peer review report shows that our audits are being completed with the highest quality and in accordance with all applicable standards and laws.

If you have any additional questions please let me know. We value Marshall County as an audit client and hope to continue our professional relationship.

Yours truly,



Joel Hopkins, C.P.A.

Phillips & Associates, CPAs, P.C.

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Report on the Firm's System of Quality Control

January 4, 2023

To the Shareholders of
Hopkins & Associates CPAs, Inc.
and the Peer Review Alliance Committee

We have reviewed the system of quality control for the accounting and auditing practice of Hopkins & Associates CPAs, Inc. (the firm) in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of 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 and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

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

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 Hopkins & Associates CPAs, Inc., in effect for the year ended June 30, 2022, 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*. Hopkins & Associates CPAs, Inc. has received a peer review rating of *pass*.

Phillips & Associates, CPAs, P.C.

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Normal, Illinois