



City of Brookings

Audit Services

Selection Committee:

Erick Rangel, City of Brookings CFO

Ashley Rentsch, City of Brookings Deputy Finance Mgr.

Laura Julius, Brookings Municipal Utilities Finance & IT Mgr.

Melissa Wagner, Brookings Health System CFO

Eide Bailly Advantages



Efficiency: Three entities audited by one firm

Cost Savings: Synergies + Additional Savings

Continuous Improvement: Focused on audit approach optimization and innovative techniques

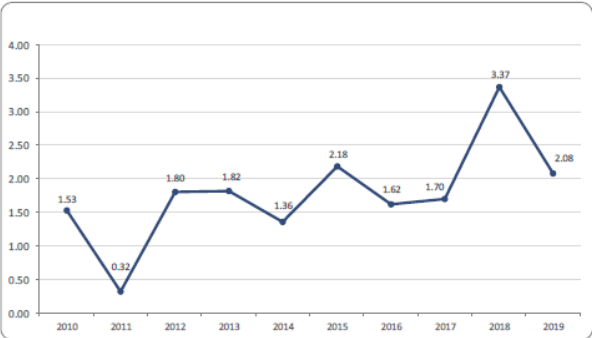
New Standard Implementation: GASB 87 - Leases

Communication: Established transition plan, consistent communication, Executive Summary Report

Executive Summary Example

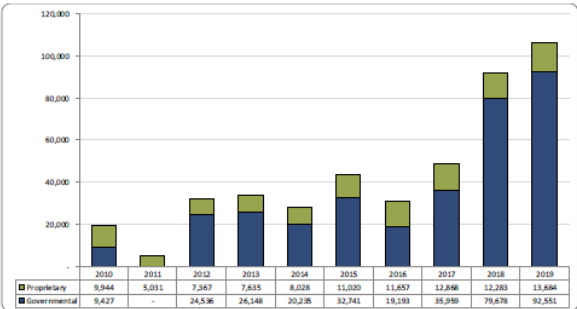
LIQUIDITY RATIO

The liquidity ratio is calculated by dividing cash by current liabilities, including the long-term debt principal due within one year. The liquidity ratio for the past 10 years:



CASH

Balances of the City for the past 10 years (in thousands):

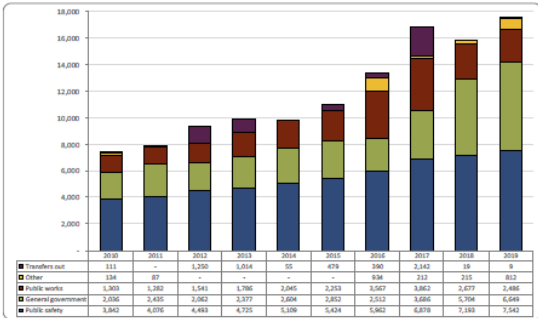


Proprietary is Water, Sewer, and Garbage

Governmental is General, Sales Tax, Capital Projects, Debt Service, and all other City funds

EXPENDITURES AND TRANSFERS OUT

General Fund expenditures are in the areas of public safety, general government, public works, and other uses such as economic development, culture and recreation, and capital outlay. The General Fund also transfers out money to other funds annually. Expenditures and transfers out for the previous 10 years (in thousands):

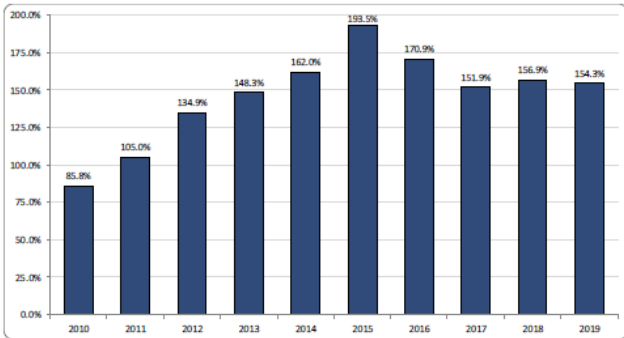


FUND BALANCE CATEGORIES

| Nonspendable | Restricted | Committed | Assigned | Unassigned |
|---|---|---|---|------------------|
| Represents amounts that cannot be spent | Legally restricted by outside parties | Intended for a specific activity | Intended for a specific activity by the council or designated individuals | Reserves |
| Not in spendable form | | | | |
| Inventory, prepaid expenses | Cannot be appropriated for other spending | Imposed by formal action of the council but is not legally restricted | Not legally restricted | "Rainy day" fund |

UNASSIGNED FUND BALANCE

The City's unassigned fund balance as a percentage of expenditures in the General Fund for the last 10 years:



Appendix: Cost of Service

| Firm | 2020 Audit Cost | Year 1 | Year 2 | Year 3 | GASB 87 |
|-----------------------------------|-----------------|----------|----------|----------|---------------|
| BKD | \$56,750 | \$57,000 | \$59,250 | \$61,000 | \$2,250 min. |
| Eide Bailly | | \$54,500 | \$56,650 | \$58,900 | \$15,000 max. |
| Savings: BKD to Eide Bailly | | \$2,500 | \$2,600 | \$2,100 | Unknown |

*Eide Bailly has also identified \$10,000 annually in synergies achieved for BMU and BHS

