

## **Budget & Audit Committee Minutes**

Thursday, June 2, 1:00 p.m.| Zoom Meeting

**Members:** Melanie Lewis, Micah Brown, Nate Rivera, Alba Vogland, Josh Thomas, and Kitty O'Keefe

**Guests:** none

### **1. Announcements and Introductions**

- a. Melanie called the meeting to order at 1:04 p.m. and introductions were made.
- b. A motion from Nate was made to approve minutes from 5.4.22 and 2<sup>nd</sup> by Melanie. Kitty to post on website.

### **2. Old Business**

- a. Review Financial Audit Proposals
  - i. Melanie reminded members that a letter to 3 CPA firms went out via email.
  - ii. Melanie reminded members the audit has to be done by end of 2023.
  - iii. Josh shared the only firm to respond was Aldrich. (See attachment 1)
  - iv. Deadline to respond was Tuesday, May 31<sup>st</sup>.
  - v. Aldrich gave a flat fee over hourly rate. Members agreed they preferred the flat rate.
  - vi. Nate would like to recommend every 5 years for a full audit with a review annually.
  - vii. We budgeted 12K. Will need 25K. Josh to look at T&E budget. Will need to chat with Mitch.
  - viii. A motion was made by Nate to present to the full board to options moving forward. #1: proceed as is and find funds to cover the full audit. Option #2: wait till we can budget the full amount in 2023. Motion 2<sup>nd</sup> by Alba.
  - ix. Melanie will bring this to full board on June 8<sup>th</sup>.
  - x. Josh will provide a brief to the full board.

### **3. New Business**

### **4. For the Good of the Order**

- a. Proposed Service Tariff Rate
  - i. Kitty pulled up the OUNC homepage and members reviewed the new slide. Shows proposal and if there was public testimony; how to submit.

### **5. Next Meeting**

### **6. For the Good of the Order**

*Motion to adjourn by Nate and 2<sup>nd</sup> by Melanie at 1:45pm. Minutes submitted by Kitty O'Keefe 6.6.22*

# Oregon Utility Notification Center

Proposal for Professional Services for the Year Ending  
December 31, 2021

May 31, 2022



# Oregon Utility Notification Center

Proposal for Professional Services for the Year Ending  
December 31, 2021

Presented by Aldrich CPAs + Advisors LLP  
680 Hawthorne Ave SE, #140  
Salem, OR 97301

Primary Engagement Contact:  
Amy E. Fenerty, CPA  
Email: [afenerty@aldrichadvisors.com](mailto:afenerty@aldrichadvisors.com)  
Office: (503) 585-7774

May 31, 2022

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FIRM QUALIFICATIONS & EXPERIENCE	2
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May 31, 2022

Oregon Utility Notification Center  
Attn: Josh Thomas, Executive Director

Dear Mr. Thomas:

Aldrich CPAs + Advisors LLP (Aldrich) is pleased to submit a proposal to provide professional services to the Oregon Utility Notification Center (OUNC). These services will include an audit of the financial statements of OUNC and a letter of recommendations to management for process improvements and presentation to the board of directors at the conclusion of the audit. This work will be completed in a timely manner and in the established time periods.

This proposal will provide you with information about our firm, our experience serving governmental organizations and our continuing commitment to you.

Aldrich is uniquely qualified to meet your needs because we have assembled a service team that is knowledgeable about the types of unique financial reporting and operational risks faced by OUNC. We understand your organization and our experience with governmental, nonprofit, and utility organizations translates to seamless and value-added services delivered by professionals who understand your challenges and opportunities.

**Superior client service is our #1 goal** . At Aldrich we have designed our service approach to exceed your expectations. We continually strive to provide the highest level of specialized service in the market. We perform high quality, efficient audits. We will listen and respond to your needs on a timely basis and provide meaningful internal control recommendations tailored to public benefit nonprofit corporations.

**Our greatest product is our high-quality service.**

- ▶ Our team is dedicated to being responsive to our clients and delivering on our commitments in a timely manner.
- ▶ Our service approach is one of significant partner and manager level attention.
- ▶ We endeavor to exceed your expectations.

**Licensing and Independence** . Aldrich and the team leaders are properly licensed to perform audits in the State of Oregon. In addition, we are independent of OUNC in both fact and appearance.

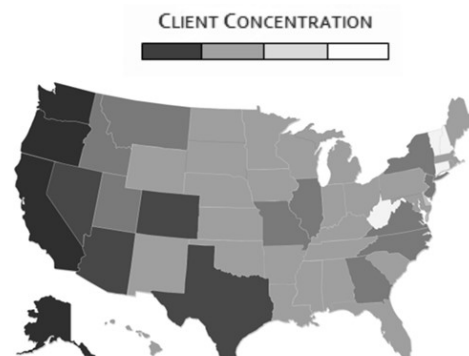
**We want to be your trusted advisors.** We will consider it a privilege to be chosen to work with you. We are excited to address your needs and are confident we can build a long-lasting relationship. Should you have any questions, please feel free to contact us at (503) 585-7774.



Amy Fenerty, CPA  
Partner

Aldrich CPAs + Advisors LLP is a west coast regional firm of advisors, independent Certified Public Accountants, and business consultants. We are known as trusted advisors, helping our clients solve problems, recognize opportunities, streamline processes, and better utilize their resources so that they can best manage their growth and achieve their goals.

The Aldrich Group of Companies offers a broad range of financial services from traditional accounting, auditing, and tax compliance to business valuation, management consulting, financial due diligence, international tax planning, state and local tax consulting, employee benefit, and retirement plan services. We also work closely with business owners and individuals to manage their financial, wealth, and tax planning strategies.



Founded in Salem, Oregon in 1973, the Aldrich Group of Companies is a full-service firm with over 300 professionals who serve clients nationwide from our offices in Oregon, California, and Alaska. The Aldrich Group of Companies is comprised of the following:

- ▶ **Aldrich CPAs + Advisors LLP** – Audit, tax compliance and consulting, accounting assistance, and business consulting. These services are provided to thousands of business and individual clients.
- ▶ **Aldrich Wealth LP** – Complete investment advisory services for high-wealth individuals and pension plans. Includes wealth management, asset allocation, personal financial planning, and transition planning. Total assets under management by Wealth Advisors exceed \$4.0 billion.
- ▶ **Aldrich Retirement Solutions LP** – Valuation pension plan services (internet based), pension administration, and consulting. Includes pension design, servicing, and compliance. Clients served range in size from under 10 to more than 1,500 employees.
- ▶ **Aldrich Benefits LP** – Assisting employers with employee benefit consulting including medical, dental, group life, and disability insurance for their employees, and executive benefits for high-level and key employees. Includes plan design, implementation, and annual review of benefits.
- ▶ **Aldrich Technology LLC** – Technology services which include evaluation, assessment, guidance and implementation of software solutions, network security, managed IT services, merger and acquisition support and cybersecurity.
- ▶ **Aldrich Capital Advisors LLP** – Provide advisory services for business transactions including succession planning, acquisition, sales, or mergers.

Aldrich CPAs + Advisors LLP has several focus areas (niches) with all levels of experience. Our people select an area of focus and obtain training and experience in that focus area. Currently we have niches in the following industries:

- ▶ Communications + Utilities
- ▶ Governmental & Nonprofit
- ▶ Manufacturing & Distribution
- ▶ Agribusiness
- ▶ Construction
- ▶ Architecture & Engineering
- ▶ Health Care

## FIRM QUALIFICATIONS AND EXPERIENCE

Aldrich has a niche dedicated to governmental and nonprofit organizations. We currently serve hundreds of governmental and nonprofit organizations each year. We proactively obtain updates and adopt new accounting standards related to the Government Accounting Standards Board (GASB), and our methodology is the result of continuous research and improvement based on our experiences with clients.

In addition, we specialize in serving Communications + Utilities companies and related entities, from the Arctic Circle to American Samoa, and from Hawaii to Indiana, with several having operations in multiple states. We have significant and lasting experience with utility companies of all sizes.

Every industry has special characteristics, but the government sector is truly unique. The current operating environment requires enhanced fiscal transparency, a higher level of information, and assurance that the financial systems are serving to accomplish the organization's mission. At the same time, financial reporting requirements are growing more stringent. We are proud to have talented, experienced professionals who are knowledgeable about the unique financial reporting and operational risks faced by your organization. We have a responsive, hands-on approach. We know the issues you face because we are committed to serving governmental entities and understand the utility industry.

As we become aware of new issues that may impact your entity and operating environment, we will communicate the relevant information to you in a timely manner. Having the ability to meet with you and your team in-person on a regular basis allows us to help you evaluate your business and provide guidance on other business planning questions that may come up. Our methodology is the result of keeping our pulse on what is happening in our communities. Keeping our clients up-to-date and sharing relevant information is part of our philosophy that encompasses ongoing and pertinent communication with our clients.

As members of the American Institute of Certified Public Accountants (AICPA) and the Oregon Society of Certified Public Accountants (OSCPA), our team frequently utilizes the resources available to monitor developments pertinent to GASB audits. Because of our commitment and our ability to track these continual changes, and their specific application, we believe we are the right accounting firm for you.

As a member of CPAmerica International, the 6th largest CPA network in the United States of America, we have an exclusive association with more than 80 leading independent accounting firms across the country and more than 310 offices around the world. Our association allows us to maintain a strong allegiance to our local community, while providing clients with national and international service.



**Our audit approach goes beyond the numbers** . Aldrich uses a risk-based audit approach specifically tailored to each client. Our audit procedures and techniques result from our ongoing commitment to developing more cost-effective auditing procedures.

We will gain an understanding of OUNC's internal controls and, based on our risk assessment, will perform audit procedures on the significant areas of your financial statements. Throughout the course of our work, we will remain alert to opportunities to improve OUNC's operations. Our management recommendation letters contain meaningful suggestions for improving systems and controls. However, we recognize that every organization is unique, and will always adapt our audit approach and procedures to best fit your needs.





## PROFESSIONAL FEES

Based on our expectation of the quality of records that will be provided, and our review of the financial information already provided by you, we have developed the fee estimate included in the table below. We know you must critically evaluate the cost of proposed services. We aim to reasonably estimate the hours necessary to deliver high-quality and thorough financial services while remaining competitive on price.

Our fees include our planning meetings, fieldwork, and meetings to present the audit report. There are significant initial audit costs for the procedures required to audit opening balances, accumulated balances from inception, gaining an understanding of internal controls processes, and establishing permanent file documentation. Our fees are based on your staff preparing the audit work papers and schedules necessary to support the accounts and the related notes to the financial statements as well as the existence of adequate records and internal controls, full cooperation from your personnel, and the assumption that unexpected circumstances will not be encountered during the audit. Should any unexpected circumstances come to our attention, which would require an extension of our services or if significant additional time is necessary, we will consult with you concerning such extension and additional fees before incurring any additional costs.

PROFESSIONAL SERVICES	2022
Initial audit of the financial statements of OUNC in accordance with generally accepted auditing standards	\$25,000
Presentation of results and suggestions to the Board	No Charge
Availability throughout the year to answer routine questions related to the audit that can be answered without additional research	No Charge
Invitations to attend all Aldrich sponsored webcasts and conferences	No Charge

### AUDIT REPORTS, TECHNICAL MATTERS, MANAGEMENT LETTER AND REQUIRED MEETINGS

LABOR CATEGORY	HOURLY RATE	ESTIMATED HOURS	TOTAL
PARTNER	\$450	6	\$2,700
MANAGER	\$275	20	\$5,500
SENIOR	\$225	20	\$4,500
STAFF	\$150	40	\$6,000
INITIAL AUDIT- OPENING BALANCE PROCEDURES			\$6,300
TOTAL FEE (estimate)			\$25,000

Our standard billing rates for special requests, special reports, and/or for broadening the scope of the engagement for all levels of personnel to be assigned to the engagement are as follows:

Level	2022
Partner	\$450
Manager	\$275
Senior	\$225
Associate	\$150

There will be no additional charge for incremental costs (e.g. travel, mileage, copying, printing, etc.). We encourage all our clients to connect with us throughout the year with questions. Most (95%+ of the time) of these questions can be answered by our team with little or no research and there is no additional charge for that communication. If there is a matter that requires substantial research, we will estimate a fee based on the anticipated time necessary at our standard hourly rates and provide that in advance to any work being done.

For your consideration should you determine that ***Reviewed Financial Statements*** are appropriate for OUNC rather than audit services:

PROFESSIONAL SERVICES	2022
Preparation of <b>Reviewed Financial Statements</b> as of and for the year ended December 31, 2021	\$12,000
Presentation of results and suggestions to the Board	No Charge
Availability throughout the year to answer routine questions related to the audit that can be answered without additional research	No Charge
Invitations to attend all Aldrich sponsored webcasts and conferences	No Charge

## TIMING

We will work closely with you to develop a work plan for the audit that aligns with your schedule and allows sufficient time to meet your deadlines. We are committed to delivering the financial statements within your required timeline.

FINANCIAL STATEMENT ATTEST TIMELINE	JUNE	JULY	AUGUST
Pre-audit conference with the Board of Directors and management to obtain a further understanding of the OUNC and develop a work plan.			
Pre-audit planning and risk assessment.			
Confirmations and completion of planning procedures.			
Preliminary fieldwork, including interim testing, internal controls walkthroughs, and risk assessment.			
Final fieldwork for the financial statement audit.			
Delivery of draft reports to management.			
Delivery of final audit reports and management letter.			



# Oregon

Kate Brown, Governor

**Oregon Utility Notification Center**  
305 NE 102<sup>nd</sup> Avenue, Suite 300  
Portland, OR 97220-4170  
503-232-1987

**May 2, 2022**

**TO:** Qualified CPA firms

**RE:** Invitation to bid on Oregon Utility Notification Center Financial Audit

The Oregon Utility Notification Center (OUNC) is seeking the services of a qualified vendor to perform a financial audit in accordance with generally accepted auditing standards for not-for-profit organizations. OUNC is soliciting bids from not fewer than three Certified Public Accounting firms. Under the board's direction, the agency intends to proceed with this audit in 2022.

## **ABOUT THE OREGON UTILITY NOTIFICATION CENTER**

Created by the 1995 Oregon Legislature, the Oregon Utility Notification Center is the state agency that administers Oregon's excavation laws and statewide locate requests. Its mission is to operate and maintain a state-of-the-art one-call system for the State of Oregon to reduce damages to underground facilities and to promote public safety related to excavation issues.

Through its call center, training, education, publicity, and industry relations, OUNC is committed to helping people avoid serious damage, injuries and expenses. The service is available by calling 811 or going to [Oregon811.com](http://Oregon811.com) or [www.digsafelyoregon.com](http://www.digsafelyoregon.com). Homeowners and businesses can have their underground utilities marked before digging at no cost. The call center is located in Portland and is staffed by about 50 operators under contract with [One Call Concepts](#).

The OUNC (dba Oregon 811) is a public benefit nonprofit corporation with the powers of an Oregon state agency, per [ORS 757.547](#). OUNC has a 21-member Board of Directors, appointed by the Governor, and a staff of two. The organization hired its first Executive Director in May 2021. Prior to that, the organization was a working board with contracted service providers.

## **BACKGROUND**

The OUNC Policy and Procedures Manual (3.10.1.), states "Oregon Utility Notification Center should contract for an independent review to be performed by a Certified Public Accountant (CPA) at the conclusion of every three (3) years but should not exceed five (5) years." Per 3.10.2., "The auditor(s) will test accounting mechanisms in accordance with generally accepted auditing standards for not-for-profit organizations and as contractually required by funding sources."

The last financial review was conducted by Aldrich in 2019 for the 2018 fiscal year (see attachment). Based on the policy, a review or audit must be completed by the end of 2023.

OUNC has not previously conducted a financial audit, opting for the more affordable but less involved financial review process. With substantial changes to the organization over the past year, the board has committed to proceed with the deeper dive that a financial audit provides. Beyond meeting the terms of internal policy, the audit process will provide assurances to the board, staff and stakeholders that the right systems and controls are in place moving forward.

## SCOPE OF SERVICES

The purpose of this financial audit will be to perform a full and unbiased examination of the OUNC's finances and accounting practices to provide actionable guidance and advice for areas of compliance or improvement. The process will culminate in a report and presentation to the board at the conclusion of the audit to share findings, recommendations and to answer questions.

Since the OUNC operates on a calendar fiscal year, this audit will focus on 2021. The OUNC Interim Treasurer, Melanie Lewis, and Executive Director, Josh Thomas, will lead this initiative on behalf of OUNC. The successful vendor will work with the organization's bookkeeper, The Bookkeeping Company, and will be granted access to financial and banking records needed to complete the audit.

The vendor will work with OUNC and The Bookkeeping Company on a proposed timeline for the project with deadlines for deliverables, completion of the project and reporting at a future OUNC board meeting.

## COMPETITIVE SELECTION PROCESS

Per ORS 279A.025(3)(j) the Oregon Utility Notification Center is among the agencies exempted from following the Public Contracting Code, and is not required to open a formal RFP for services besides the call center contract. However, in this competitive process, OUNC will maintain transparency and document objective reasons/analysis for selecting the vendor and how they provide the best value against comparisons.

Criteria will include, but is not limited to: cost, qualifications/experience, timeliness, understanding of public benefit nonprofit corporations, familiarity with the Oregon Accounting Manual, and completeness of response to this invitation to bid. Responses will be used as a tool to evaluate vendors as to their ability to perform the financial audit and to select the successful vendor.

## SUBMITTING A BID

Bids must be emailed by no later than **May 31, 2022** to Josh Thomas, OUNC Executive Director at [josh.thomas@digsafelyoregon.com](mailto:josh.thomas@digsafelyoregon.com). Your bid should include the following elements:

- Proposed cost of services, including details on flat fee/hourly elements
- Qualifications of your firm to perform this financial audit
- Proposed timeline for completion
- Expected deliverables for final product and presentation
- Optional: References or examples of relevant/comparable audits performed previously

An authorized representative of the vendor shall sign the response and show the name and address of the vendor. Email subject shall be plainly marked "Proposal – Financial Audit."

Any questions about the submission process or verification of receipt can be directed to Josh Thomas at 503-317-5007 or [josh.thomas@digsafelyoregon.com](mailto:josh.thomas@digsafelyoregon.com).

## ATTACHMENTS

- 2018 Financial Review
- OUNC Standards Manual