

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

*P.O. Box 1957, Kalispell, MT 59903-1957
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Robert K. Denning, CPA, CGFM, CFF, CITP*

Bob Denning is Retiring!!

The rumor is true. I am finally retiring after auditing for 38 years. My last day will be June 30, 2025. I really love what I do and love the people I have had the pleasure to work with, but it is time to pass the torch to the next generation.

I do not plan on leaving anyone out in the cold as far as their audits go. We are still on track to issue all Fiscal Year 2024 audits before June, 30, 2025.

Most of you know Jon Mahrt, CPA. Jon has worked for me for the past 11 years. He is a good guy; not only is he incredibly intelligent, but he is almost as good-looking as I am 😊. I trust him and give him my full backing. Jon has created his own firm "Nexus CPA Group" to perform governmental audits. Attached to this letter is a little introduction letter from Jon.

Q. Will the contact phone numbers and emails with Denning, Downey & Associates still work for the Nexus CPA Group?

A. Yes, for the time being you can contact the staff using the same phone numbers and emails. The staff are all the same and they are physically located in the same building as well.

Q. When we have changed auditors in the past, the new auditors have a different philosophy and the transition is not always smooth.

A. As I noted above Jon has worked with me for the past 11 years. Over that time, we have developed our audit philosophies together. Jon is committed to the same quality audits you are used to seeing.

Q. Will there be new staff?

A. Quality staffing is an issue for everyone. As noted above, Jon is retaining all the existing staff.

Q. I have a current audit contract with Denning, Downey and Associates CPAs, does this mean that our contract will be cancelled on June 30, 2025?

A. Yes, all audit contracts with Denning, Downey and Associates CPAs will be cancelled as of June 30, 2025. As stated above Jon's new firm, Nexus CPA Group, is taking over most of the audit contracts.

Q. Will Bob still be involved in the business?

A. Yes, after 38 years I do not think I could quit cold turkey. I will be phasing my hours back but you can still reach me. It will be an interesting transition from being the owner to that of an employee.

Q. What are you going to do with your free time?

A. Everyone wants to know that question. Including my wife. Last year I bought a new fishing boat and a small motorhome. I will start with that. I am also thinking of building another home.



I have been blessed over all these years to be able to work with you. Thank you for your business and friendship.

Bob



April 21, 2025

To Whom it May Concern,

We're excited to share some big news about the next chapter for Denning, Downey, & Associates, CPA's! As we turn the page, we're proud to introduce our new identity: Nexus CPA Group. This transition marks a fresh start while staying true to the foundation that has served you so well over the years.

First, we want to extend a heartfelt thank-you to Bob Denning, whose guidance and vision built this firm into what it is today. Bob's retirement is well-earned, and we're grateful for the opportunity he's given us to continue providing the exceptional services you rely on. *(Don't worry—we've promised to send him a ten key-shaped retirement cake in honor of his ten-key champion days!)*

The good news? You'll still see the same familiar team, energized for a new age, and carrying forward the tradition of Denning, Downey, & Associates, CPA's. Leading the charge is Jonathan Mahrt, who brings over a decade of experience with the firm. With a deep understanding of our clients and a steady hand, Jonathan is guiding the Nexus CPA Group team into the future with confidence and clarity. Our commitment to delivering quality services remains unwavering—we're here to keep your financial reporting on track with the same expertise and care you've come to expect.

To ensure uninterrupted service, we have enclosed the Department of Administration amendment and an assignment/consent form to facilitate the transfer of existing contracts, engagement letters, and prior audit files to Nexus CPA Group. If you have any questions—or just want to reconnect—the team is here for you: same phone number, same dedication, new name.

Thank you for your continued trust in us. We're excited to build on Bob's legacy and serve you as Nexus CPA Group. To a future of transparent reporting and GASB-approved excellence—Here's to continued partnership and progress!

Sincerely,

Nexus CPA Group

Nexus CPA Group

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Assignment and Client Consent Agreement

Effective Date: July 1, 2025

Parties:

- **Assignor:** Denning, Downey & Associates, CPAs, P.C.
- **Assignee:** Nexus CPA Group, PLLC
- **Client:** City of Sidney

Purpose:

Assignor is transitioning its operations to Assignee and wishes to assign its rights and obligations under existing engagement letters, along with transferring prior audit documentation, working papers, and client-provided files related to Client.

Agreement:

1. **Assignment of Engagement Letters:** Assignor assigns all rights, obligations, and interests under the existing engagement letter with Client to Assignee.
2. **Transfer of Documentation:** Assignor transfers all prior audit documentation, working papers, and client-provided files related to Client to Assignee.
3. **Client Consent:** Client consents to the above assignment and transfer, acknowledging Assignee as the successor firm responsible for ongoing services.

Acknowledgment:

By signing below, the parties agree to the terms outlined in this agreement.

Assignor: Denning, Downey & Associates,
CPAs, P.C.

By: _____
Name: Robert Denning
Title: Owner
Date: _____

Assignee: Nexus CPA Group, PLLC

By: _____
Name: Jonathan Mahrt
Title: Owner
Date: _____

Client: City of Sidney

By: _____
Name: _____
Title: _____
Date: _____



DEPARTMENT OF ADMINISTRATION
STANDARD AUDIT CONTRACT AMENDMENT

This contract amendment is made this 21st day of April , 2025, by and among Nexus CPA Group, Certified Public Accountant (Contractor) and City of Sidney , Governmental Entity (Entity).

Audit Period and Payment: This contract amendment covers the following audit period(s):
July 1, 2024 to June 30, 2025

Reason for amendment: To amend the current contract on file from the Certified Public Accountant of Denning, Downey and Associates CPAs to Nexus CPA Group

Amendments:

Paragraph 2.a. on page 1 of the standard audit contract is amended to read as follows:

\$ N/A for initial (or sole) audit covering N/A to N/A .
\$ N/A for subsequent audit covering N/A to N/A
\$ N/A for subsequent audit covering N/A to N/A

Any provision of this contract that does not allow Entity to define its financial reporting framework as prescribed in 2-7-504(2), MCA and ARM 2.4.401(2), or Contractor to opine on Entity's financial statements in accordance with Entity's defined financial reporting framework, is amended to accomplish the same and identifies Entity's financial reporting framework as:

- ☒ Generally Accepted Accounting Principles.
- ☐ The Small Government Financial Reporting Framework, as defined at ARM 2.4.401.

Subject to State's approval of Entity's financial reporting framework, Entity shall include any supplementary information required by ARM 2.4.401.

Sections 1, 2, and 7 of Appendix A on pages A1 and A2 are amended to read as follows:

1. Audit Periods and Dates of Engagement
 - a. This audit will cover the fiscal year(s) ending N/A and
 - b. Date to commence audit work ending N/A .
 - c. Date to submit final audit report to the Entity N/A
2. Time and Price for Engagement
 - a. Estimated total hours is N/A .
 - b. Price for audit personnel is \$ N/A
Price for travel is \$ N/A .
Price for report preparation is \$ N/A .
Total price for the engagement is \$ N/A .
7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

- ☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$750,000 during the fiscal year(s), or such other dollar amount (\$Amount) that is effective for the fiscal year(s) being audited.
- ☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$750,000 during the fiscal year(s), or such other dollar amount (\$) that is effective for the fiscal year(s) being audited.

Sections 1, 2, and 7 of Appendix B on pages B1 and B2 are amended to read as follows:

1. Audit Periods and Dates of Engagement
 - a. This audit will cover the fiscal year(s) ending N/A and
 - b. Date to commence audit work ending N/A .
 - c. Date to submit final audit report to the Entity N/A
2. Time and Price for Engagement
 - a. Estimated total hours is N/A .
 - b. Price for audit personnel is \$ N/A
Price for travel is \$ N/A .
Price for report preparation is \$ N/A .
Total price for the engagement is \$ N/A .
7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

- ☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$750,000 during the fiscal year(s), or such other dollar amount (\$Amount) that is effective for the fiscal year(s) being audited.
- ☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$750,000 during the fiscal year(s), or such other dollar amount (\$Amount) that is effective for the fiscal year(s) being audited.

Sections 1, 2, and 7 of Appendix C on pages C1 and C2 are amended to read as follows:

1. Audit Periods and Dates of Engagement
 - a. This audit will cover the fiscal year(s) ending N/A and
 - b. Date to commence audit work ending N/A .
 - c. Date to submit final audit report to the Entity N/A
2. Time and Price for Engagement

- a. Estimated total hours is N/A .
- b. Price for audit personnel is \$ N/A
 Price for travel is \$ N/A .
 Price for report preparation is \$ N/A .
 Total price for the engagement is \$ N/A .

7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

- ☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$750,000 during the fiscal year(s), or such other dollar amount (\$Amount) that is effective for the fiscal year(s) being audited.
- ☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of less than \$750,000 during the fiscal year(s), or such other dollar amount (\$Amount) that is effective for the fiscal year(s) being audited.

IN WITNESS WHEREOF:

Certified Public Accountant

Nexus CPA Group
 Firm Name

By: _____
 Authorized Representative

Date:

Governmental Entity

City of Sidney
 Entity Name

By: _____
 Authorized Representative

Date:

**Montana Department of Administration,
 Local Government Services Bureau**

By: _____
 Authorized Representative

Date:

