

# CITY OF PEORIA C O N T R A C T

## 47-16 Addendum 1

This agreement, made and entered into this 13<sup>th</sup> day of January A.D., 2021 by and between the City of Peoria, a municipal corporation, party of the first part, and Clifton Larson Allen LLP, 301 SW Adams St, Ste. 1000, Peoria, IL, 61602, his/their executors, administrators, successors or assigns, party of the second part.

WITNESSETH: That for and in consideration of the payments and agreements mentioned in the proposal hereto attached, to be made and performed by the party of the first part, and according to the terms expressed in the bond referring to these presents, the party of the second part agrees with said party of the first part, at his/their own proper costs and expense to furnish and deliver all the work, materials and supplies in accordance with the specifications contained in said proposal, and in full compliance with all of the terms of this agreement.

IT IS UNDERSTOOD AND AGREED that the instructions to bidders, proposal, and bid and specifications are component parts of this contract and shall be deemed a part hereof. It is also understood and agreed that the contractor shall not assign, transfer, convey or otherwise dispose of this contract, or his right to execute it, or his right, title or interest in or to it or any part thereof, unless the previous written consent of the City Manager of the City of Peoria shall first be obtained thereto.


IN WITNESS WHEREOF, the said parties have executed these presents on the date above mentioned.

In accordance with the attached specifications, proposal and pricing Clifton Larson Allen LLP shall provide auditing services in accordance with Federal, State and City laws and ordinances.

This contract will cover auditing cycles for fiscal years 2021, 2022 and 2023 with an optional two (2) year extension. (2024 and 2025)

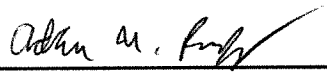
Contract Begin date is January 13, 2021 and ends December 31, 2024.

**THE CITY OF PEORIA**

By   
City Manager

**PARTY OF THE SECOND PART**

Clifton Larson Allen LLP  
(Name of individual, firm, or corporation)

By   
(Member of firm or officer of corporation)

**APPROVED FINANCE DEPARTMENT**

By   
(James Scroggins)

**APPROVED LEGAL DEPARTMENT**

By   
(Chrissie Peterson)

**APPROVED USING DEPARTMENT**

By   
(James Scroggins)





# City of Peoria

419 Fulton Street  
Peoria, IL 61602

## Council Communication

**Agenda Date : 1/12/2021**

**File #: TMP-4408, Version: 1**

### **ACTION REQUESTED:**

Communication from the City Manager and Finance Director/Comptroller with a Request to AUTHORIZE the City Manager to Enter Into a CONTRACT with CLA (CLIFTONLARSONALLEN LLP) to Provide Annual Auditing Services for 2020 in the Amount of \$99,750, Reduced From the Original Contract of \$111,900.00 and Extend the Current Agreement Three (3) Years, Specifically Fiscal Year 2021 (\$102,900.00), 2022 (\$106,050.00) and 2023 (\$109,200.00) with an Optional 2-Year Extension for Fiscal Years 2024 (112,350.00) and 2025 (\$115,500.00)

**BACKGROUND:** In December, the City's Purchasing Department sent letters to vendors asking them to reduce upcoming service costs. Adam Pulley from CLA responded to this request with a reduction of nearly 11% in fees for the Fiscal Year 2020 audit to be performed in 2021. This is the last year under the current contract with CLA. As part of the reduction, CLA is also asking to extend the contract for three (3) years with an optional two (2) year extension. The current fee for 2020 is \$111,900.00. The proposed extension would not exceed this fee until the optional two (2) year extension. CLA has provided excellent service and has helped guide the City through the creation of its first enterprise fund as well as continuous new GASB Standards. We believe the current proposal is fair to both the City and CLA.

**FINANCIAL IMPACT:** Reduction in Audit Fee for 2020 of \$12,150.00 (10.86%) and \$546,000 in audit fees for 5 years, Fiscal Year 2021 through 2025.

**NEIGHBORHOOD CONCERNS:** None

**IMPACT IF APPROVED:** CLA will provide auditing services for the City of Peoria over the next three years with an optional two-year extension.

**IMPACT IF DENIED:** CLA will perform the Fiscal Year 2020 audit at the agreed upon fee of \$111,900.00 and the City would issue a Request for Proposal in the fall of 2021 for audit services.

**ALTERNATIVES:** City staff would issue a Request for Proposal in the fall of 2021 for audit services.

**EEO CERTIFICATION NUMBER:**

**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Financially Sound City

**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

1. Have an efficient government.

**DEPARTMENT:** Finance

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**File #:** TMP-4408, **Version:** 1

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CITY OF PEORIA  
CONTRACT

47-16

This agreement, made and entered into this 1st day of January A.D., 2017 by and between the City of Peoria, a municipal corporation, party of the first part, and Clifton Larson Allen LLP, 301 SW Adams St, Ste. 1000, Peoria, IL, 61602, his/their executors, administrators, successors or assigns, party of the second part.

WITNESSETH: That for and in consideration of the payments and agreements mentioned in the proposal hereto attached, to be made and performed by the party of the first part, and according to the terms expressed in the bond referring to these presents, the party of the second part agrees with said party of the first part, at his/their own proper costs and expense to furnish and deliver all the work, materials and supplies in accordance with the specifications contained in said proposal, and in full compliance with all of the terms of this agreement.

IT IS UNDERSTOOD AND AGREED that the instructions to bidders, proposal, and bid and specifications are component parts of this contract and shall be deemed a part hereof. It is also understood and agreed that the contractor shall not assign, transfer, convey or otherwise dispose of this contract, or his right to execute it, or his right, title or interest in or to it or any part thereof, unless the previous written consent of the City Manager of the City of Peoria shall first be obtained thereto.

IN WITNESS WHEREOF, the said parties have executed these presents on the date above mentioned.

In accordance with the attached specifications, proposal and pricing Clifton Larson Allen LLP shall provide auditing services in accordance with Federal, State and City laws and ordinances.

THE CITY OF PEORIA

By *[Signature]*  
City Manager

This contract will cover auditing cycles for fiscal years 2016, 2017 and 2018 with an optional two (2) year extension if approved by the Peoria City Council.

PARTY OF THE SECOND PART  
Clifton Larson Allen LLP  
(Name of individual, firm, or corporation)

By *[Signature]*  
(Member of firm or officer of corporation)

Contract Begin date is January 1, 2017 and ends December 31, 2018.

APPROVED FINANCE DEPARTMENT

By *[Signature]*  
(Name of individual)

APPROVED LEGAL DEPARTMENT

By *[Signature]*  
(Name of Individual)

APPROVED USING DEPARTMENT

By *[Signature]*  
(Department Head)



## City of Peoria

419 Fulton Street  
Peoria, IL 61602

## Legislation Details (With Text)

<b>File #:</b>	16-384	<b>Version:</b>	1	<b>Name:</b>	Audit Services Contract
<b>Type:</b>	Contract	<b>Status:</b>		<b>Status:</b>	Consent Agenda
<b>File created:</b>	12/2/2016	<b>In control:</b>		<b>In control:</b>	City Council
<b>On agenda:</b>	12/13/2016	<b>Final action:</b>		<b>Final action:</b>	
<b>Title:</b>	Communication from the City Manager and Finance Director/Comptroller with a Request to AUTHORIZE the City Manager to Enter Into a CONTRACT with CLIFTONLARSONALLEN LLP to Provide Annual Auditing Services for 3 Years, Specifically Fiscal Years 2016 (\$99,900.00), 2017 (\$102,900.00) and 2018 (\$105,900.00), with an Optional 2-Year Extension for Fiscal Years 2019 (\$108,900.00) and 2020 (\$111,900.00).				

**Sponsors:**

**Indexes:** Goal 1 - Financially Sound City Government, Effective City Organization, Have an efficient government.

**Code sections:****Attachments:**

Date	Ver.	Action By	Action	Result
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**ACTION REQUESTED:**

Communication from the City Manager and Finance Director/Comptroller with a Request to AUTHORIZE the City Manager to Enter Into a CONTRACT with CLIFTONLARSONALLEN LLP to Provide Annual Auditing Services for 3 Years, Specifically Fiscal Years 2016 (\$99,900.00), 2017 (\$102,900.00) and 2018 (\$105,900.00), with an Optional 2-Year Extension for Fiscal Years 2019 (\$108,900.00) and 2020 (\$111,900.00).

**BACKGROUND:** On October 26, 2016, the City of Peoria Purchasing Department issued a Request for Proposal (RFP) for auditing services to eight potential firms, as well as, advertising in the Peoria Journal Star. The City received six auditing services proposals which were evaluated by five individuals utilizing formal measurement criteria for equitable evaluation of all proposals. Based upon Phase I evaluations of audit proposal documents, 2 finalist firms were selected to participate in Phase II oral interviews including the committee's standard and tailored questions for representatives of finalist firms.

CliftonLarsonAllen LLP was selected based upon technical merit, cost consideration and their interview by the evaluation committee. CliftonLarsonAllen LLP proposed the lowest fee over the five year period.

**FINANCIAL IMPACT:** \$529,500 in audit fees for 5 years of proposed auditing services.

**NEIGHBORHOOD CONCERNS:** None

**IMPACT IF APPROVED:** CliftonLarsonAllen LLP will provide auditing services for the City of Peoria over the next three years with an optional two year extension.

**IMPACT IF DENIED:** Any major delay of an audit firm could adversely impact the quality and timing of the fiscal year 2016 audit scheduled for commencement of audit fieldwork in March 2017.

**ALTERNATIVES:** The City Council could consider approval of another audit services finalist firm or direct staff to revise and reissue the RFP for auditing services.

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File #: 16-384, Version: 1

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**EEO CERTIFICATION NUMBER: 03412-171231**

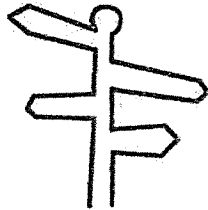
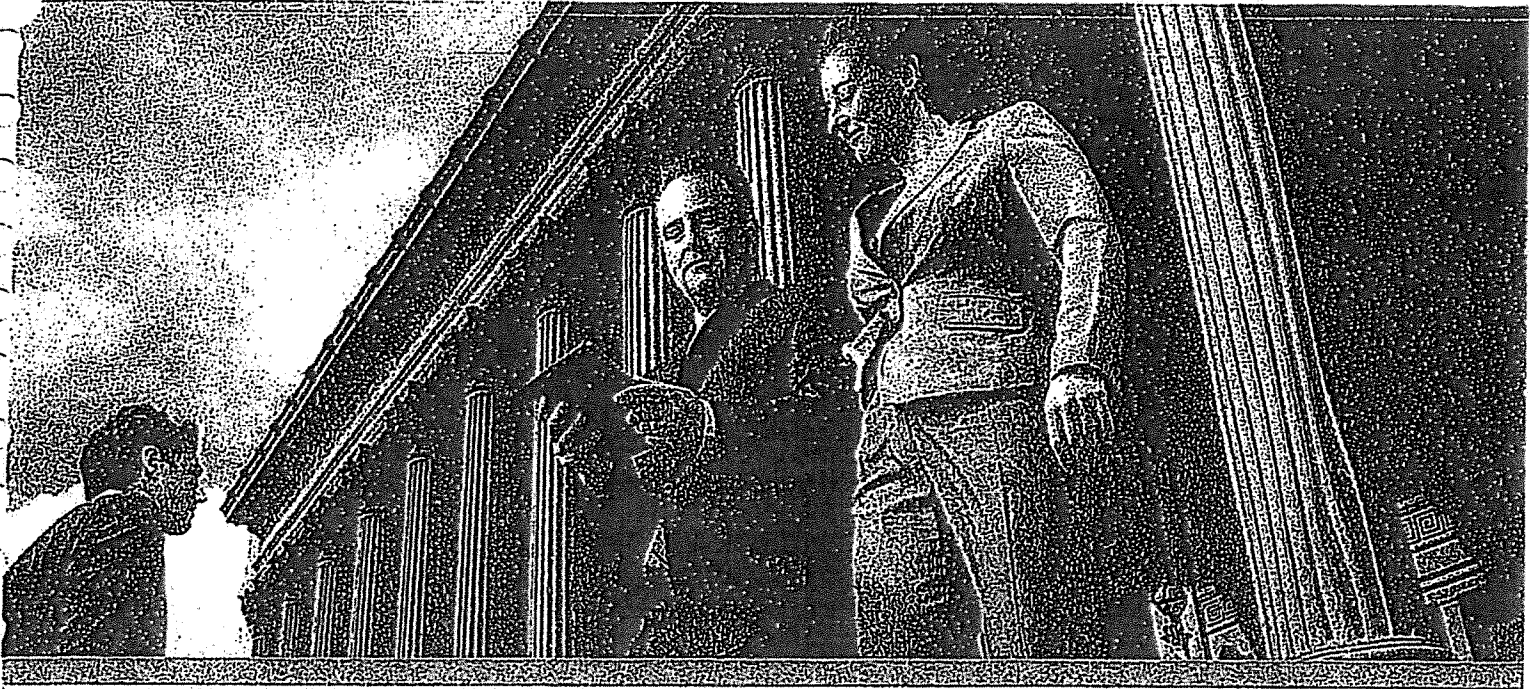
**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Financially Sound City Government, Effective City Organization

**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

1. Have an efficient government.

**DEPARTMENT: Finance**



RFP #47-16

November 14, 2016

Proposal to provide financial  
audit and tax services to:

**City of Peoria**

*Prepared by:*  
**Adam Pulley, CPA, Principal**  
adam.pulley@CLAconnect.com  
309-495-8767



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth  
Advisors, LLC, an SEC-registered investment advisor.





**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
 301 SW Adams Street, Suite 1000  
 Peoria, IL 61602  
 309-671-4500 | fax 309-671-4508  
 www.CLAconnect.com

November 14, 2016

City of Peoria, Illinois  
 Chris Switzer, Purchasing Manager  
 Finance Department, Purchasing Division  
 419 Fulton Street – Room 108  
 Peoria, Illinois 61602

Dear Mr. Switzer:

Thank you for inviting us to propose our services to you. We gladly welcome the opportunity to share our approach to helping the City of Peoria (the City) meet its need for financial and compliance audit services. The enclosed proposal responds to your request for financial, compliance audit and tax services for a period of five years beginning with the fiscal year ending December 31, 2016.

CLA's state and local government professionals are passionate about serving our local governments. The engagement team assigned to the City will primarily be working from our Peoria, Illinois office and are available year round to serve the City on site. Our office and many of our 100+ employees are constituents of the City and neighboring communities and our professionals have intimate knowledge of the Peoria area.

We are confident our proposal not only addresses your need for audit services, but also demonstrates our strong capabilities in serving local government clients, developed during our more than 60-year history of working with governmental entities.

CliftonLarsonAllen LLP (CLA) is focused on delivering an exceptional level of knowledge, insight, and industry experience. As our clients' most trusted advisor, we:

- Take a genuine interest in your opportunities and challenges.
- Proactively work with you to develop solutions based on a deep understanding of your operations and industry.
- Address your City's financial challenges through our local and national resources.
- Continually strive to better your operations, the local government industry, the communities in which we work and live, the accounting profession, and ourselves.

Our proposal addresses your need for compliance, but we have also considered your broader objectives. From our view, compliance services can be either regulatory routines or powerful tools to help you improve operations, reduce waste, or tighten controls. Our approach to serving you is always shaped by this greater goal.

We are eager to work with you and welcome the chance to present our proposal to you, the selection team and entire management team. If you have any questions about our offerings, please do not hesitate to contact me via phone 309-495-8767 or email [adam.pulley@CLAconnect.com](mailto:adam.pulley@CLAconnect.com).

Sincerely,

CliftonLarsonAllen LLP

Adam Pulley, CPA  
 Principal

## TABLE OF CONTENTS

<b>Section 1) CLA's Governmental Audit Experience – Last 5 Years</b>	<b>1</b>
<b>Section 2) City of Peoria: Audit Staff Assignments and Qualifications</b>	<b>5</b>
<b>Section 3) City of Peoria: Audit Staff Availability and Accessibility</b>	<b>7</b>
Commitment to Communication	7
<b>Section 4) City of Peoria: Detailed Auditing Services Proposal</b>	<b>8</b>
Audit approach	8
<b>Section 5) Overview of CLA, References and Peer Review</b>	<b>16</b>
Firm organization and size	16
Location of offices	17
Services provided	17
References	17
Peer review program	19
<b>Section 6) CLA's Financial Statements</b>	<b>20</b>
<b>Appendix</b>	<b>21</b>
Engagement team biographies	21
Peer review report	28
Copy of RFP	30



## SECTION 1) CLA'S GOVERNMENTAL AUDIT EXPERIENCE – LAST 5 YEARS

Our 600 state and local government professionals serve more than 1,700 local, county, and state government agencies. The public sector has been a primary focus for us for more than 40 years. We understand the legislative changes, funding challenges, compliance responsibilities, and risk management duties that impact our state and local government clients.

Our government audit clients include state departments, counties, cities, villages, towns, boards of education, public libraries, colleges, school districts, and specialized taxing districts and authorities throughout the nation. With one of the largest public sector audit practices in the country, the members of our government services team have an unmatched depth of experience auditing entities similar to the City.

CLA has performed independent financial and compliance auditing services to governments across the country. The following is a listing of the firm's current governmental audit clients located in Illinois. Specific references are included in *Section 5) Overview of CLA, References and Peer Review*:

Allerton Public Library District	Morton Community Unit School District
Bloomington-Normal Public Transit District	McLean County Unit School District
Bloomington and Normal Water Reclamation District	Morton Public Library District
Champaign Park District	Municipal Insurance Cooperative Agency
Champaign-Urbana Mass Transit District	Newell Township
City of Altamont	North Tazewell Public Water District
City of Danville	Peoria Board of Education District 150
City of Decatur (including utility funds)	Peoria Civic Center Authority
City of East Peoria (including utility funds)	Peoria Park District
City of Flora (including utility funds)	Peoria Housing Authority
City of Havana (including utility funds)	Pilot Township
City of Kewanee (including utility funds)	Pleasant Valley Public Water District
City of Ottawa Transit Grant	Princeton Park District
City of Polo	Public Building Commission of Peoria
City of Sandwich (including utility funds)	Sanitary District of Decatur
City of Watseka (including utility funds)	Special Education Association of Peoria
Community Unit School Dist. #3	Springdale Cemetery
CRIS Rural Mass Transit District	Tazewell County
Danville Mass Transit	Town of Cunningham
Danville Sanitary District	Town of Normal (including utility funds)
Danville Community School District 118	Urbana and Champaign Sanitary District
Danville Township	Village of Elliott (including utility funds)
Decatur Mass Transit	Village of Germantown Hills (including utility funds)
East Peoria Drainage and Levee District	Village of Gridley (including utility funds)
Fondulac Public Library District	Village of Milledgeville
Illinois Office of the Comptroller	Village of Minier (including utility funds)
Iroquois County	Village of Roanoke (including utility funds)
Mahomet Public Library District	Woodford County
Logan County	



**Implementation of GASB Statements and Interpretations**

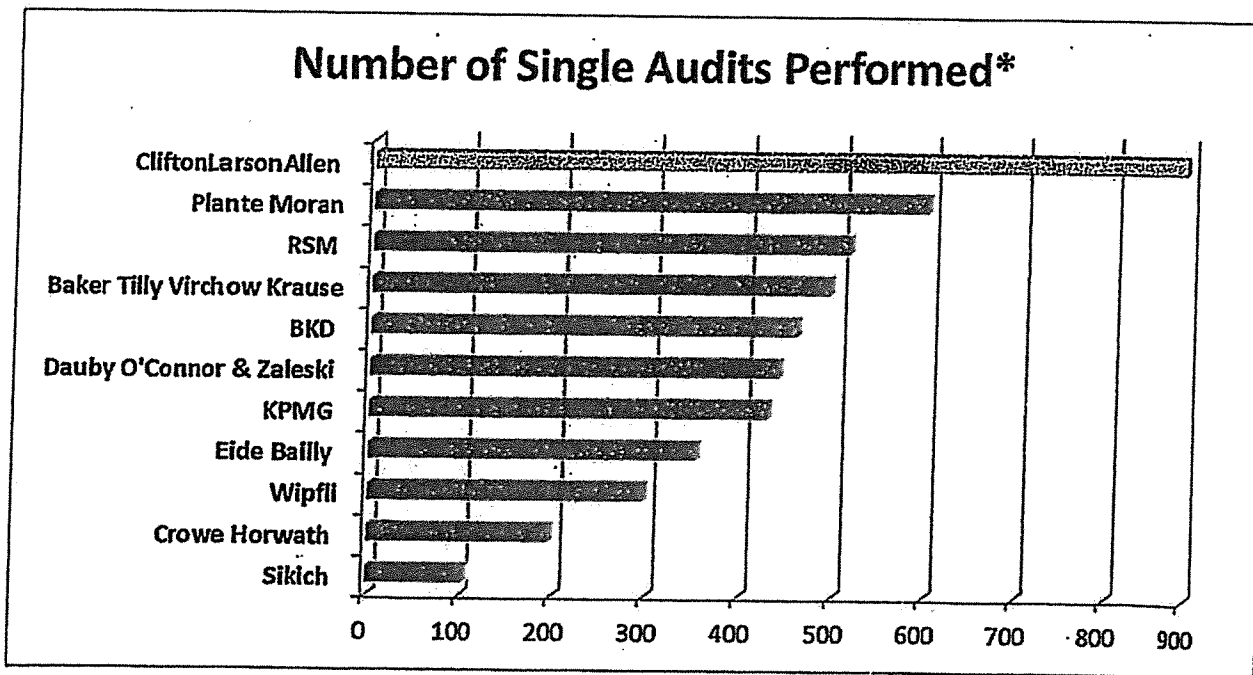
We know that it takes a continuous effort to stay current on the latest issues and trends affecting governmental entities. CLA is a leader in providing audit and financial management solutions to governmental entities at the federal, state and local level. Our dedication to the public sector determines that our professionals are knowledgeable and experienced. We are thoroughly capable of providing high-quality audit services and technical knowledge to the City. We have audited financial statements and helped prepare financial statements for many clients that have implemented GASB 34.

In addition to ongoing communication, we will also provide insight so the City is aware of and prepared for any significant changes in accounting and reporting. Our Central Illinois offices provide an annual training academy for local governments, which include topics focused on implementation of new and future GASB standards. We believe that staying ahead of the curve and providing education on both approved and proposed accounting standard changes allows us and our clients to most effectively and efficiently implement those changes; and potentially even shape their formation.

**Experience performing single audits**

CLA has become the national leader in providing audit, tax and many other services to the public sector, including those receiving federal funding. Our client portfolio of nonprofit, government and health care institutions represents nearly half of the firm's total revenues. CLA performs Single Audits for hundreds of organizations annually, **ranking top in the nation for the number of Single Audits performed by any CPA firm.** Many of the local nonprofit and governmental entities served by CLA receive federal funds and require a Single Audit in accordance with Office of Management and Budget regulations.

The table below illustrates CLA's experience in serving organizations that receive federal funds:



\*The information for the firms above was pulled from the Federal Audit Clearinghouse for audits submitted in 2014. CLA's numbers represent single audits with total federal expenditures of more than \$22.7 billion.



### ***Experience with Comprehensive Annual Financial Reports***

The Government Finance Officers Association (GFOA) established the Certificate of Excellence in Financial Reporting Program to encourage state and local governments to go beyond the minimum requirements of generally accepted accounting principles. Accordingly, comprehensive annual financial reports (CAFR) are a means for a government to present information in the transmittal letters and statistical information to promote transparency and full disclosure to its citizenry.

CLA supports the GFOA in this effort. Currently, *nine of our team members are volunteer reviewers* in the program. These individuals review several CAFRs each year. Participation in this process is just one of the many ways in which we hone our skills and provide assistance to the industry at the same time.

Our support is further demonstrated through encouraging our clients to participate in the program. Currently, approximately 90 clients submit their financial statements to the program.

### ***Services provided to City of Peoria during the last five years***

CLA has not provided any services to the City of Peoria during the last five years.

### ***Lost clients***

From time to time, clients will leave CLA to engage another CPA firm for audit services. It is not our practice to publicly identify specific reasons organizations chose to leave our firm. In general terms, any government clients who decided to engage a new public accounting firm have done so for the following reasons:

- Long-term clients attempting to comply with Interpretations of the Sarbanes-Oxley Act and impression they should change auditors.
- Transition at the financial executive position where a decision was made to engage a firm they had previously established relationships with at their prior positions.

As part of this, it is important to note none of the client transitions described above was the result of unresolved auditing or accounting matters or due to poor client service.

### ***Services provided in the State of Illinois***

CLA professionals are organized around industry specific services rather than geographically. Our professionals will work as necessary to meet the needs of our clients no matter their location. However, our Illinois professionals serve more than 100 state and local government clients and have the knowledge and expertise to provide all of the services to governments listed below.

In addition to financial audit and OMB Single Audit services, our team of experts can assist your government with many other projects including:

- Telecommunications cost savings
- Performance and forensic audits
- Fraud risk assessment and investigations
- Financial statements reviews and compilations
- Internal audit, risk assessments, and evaluations
- Strategic, financial, and operational consulting, including budgeting, succession and capital planning
- Implementation assistance for complex GASB statements
- Outsourced accounting and public administration
- Tax consulting (1099, payroll, sales tax)
- Information security and risk assessments
- Training and educational seminars
- Feasibility studies



- Utility rate design
- Tax increment financing districts
- Uniform Grant Guidance implementation

**Industry participation**

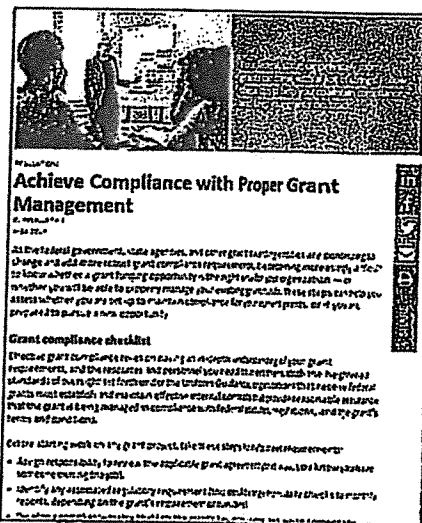
CliftonLarsonAllen actively supports industry education as a thought leader and industry speaker. Our firm focuses on supporting the educational needs of the industry through nationally sponsored trade events. Our team of local government professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations. As an example, we have been speakers for the organizations listed at right.

- AICPA – governmental and nonprofit national conferences
- State CPA societies
- Government Finance Officers Association
- Local chapters of the Government Finance Officers Association including the IGFOA
- Association of Local Government Auditors
- Association of Government Accountants

**Keeping you informed**

CLA goes beyond the numbers and offers value-added solutions. You will hear from us throughout the year. We send periodic email publications and host webcasts to keep clients and friends of the firm informed of relevant industry updates. Below are just a few of the resources we offer.

- **State and Local Government Perspectives** – a periodic e-newsletter which provides updates on regulatory and industry issues.
- **National Industry Webcasts** – web-based seminars designed to provide information on upcoming industry trends, accounting, compliance, risk and other issues in either the accounting or the local government industry. These webcasts are free to clients and many provide CPE credit to attendees.
- **Speaking engagements and Workshops** – We share our industry knowledge and experience by presenting at national, regional, and local events as well as hosting our own industry events in various markets. *We host an Annual Government Training Conference each March in Normal, Illinois and you are invited to attend.* We provide quality insight and education in the areas of improving efficiency, reducing risk, and planning for succession.
- **Recent industry articles** – In addition to our direct participation with national organizations, CLA has had numerous articles published by our local government industry professionals. For the most current listing of the published articles, please go to the link below.



You can register for our webcasts and find our extensive resource library on our website: [www.CLAconnect.com](http://www.CLAconnect.com).



## SECTION 2) CITY OF PEORIA: AUDIT STAFF ASSIGNMENTS AND QUALIFICATIONS

Large public sector entities typically share certain similar qualities, such as complex IT and accounting systems, multi-layered reporting lines and chains of command, frequent and varied debt issuances, utilities, significant intergovernmental agreements, and autonomous component units that have unique relationships with the primary government. Similarly, the audit approach for large public sector entities is complex and requires strong leadership within the engagement team. This is critical in coordinating the efforts of numerous team members, focusing on the most relevant information, processes and relationships, and ultimately being able to deliver timely guidance and adhere to agreed upon deadlines and milestones. CLA and your proposed engagement team have the capacity and experience necessary to successfully monitor and deliver the City audit.

### *Roles and responsibilities*

An experienced engagement team has been aligned to provide the most value to your organization. The team members have performed numerous engagements of this nature and will commit the resources necessary to provide top quality service throughout the engagement. Following are our proposed management team members:

The most important resource any business has is people – the right people.

Engagement Team	Title	Role	Years Experience
Adam Pulley, CPA	Principal	Engagement Principal	10
Hope Wheeler, CPA	Principal	Sub-regional Lead for State and Local Governments	25
Katie Bermingham, CPA	Manager	Engagement Manager	8
Sam Cigelnik, CPA	Senior Manager	Tax Engagement Manager	27
Lindsey Samp	Senior	Fieldwork In-charge	6
Steve Perrone	Senior	Fieldwork Assistant	3

Detailed biographies are available in the Appendix of this proposal.

- **Adam Pulley – Client Relationship and Assurance Engagement Principal** – Adam will have overall audit engagement responsibility; planning the engagements, developing the audit approach, supervising staff and maintaining client contact throughout the engagements and throughout the year. He is responsible for assuring completion of the audit engagements through the deployment of all required resources and continuous communication with management and the engagement team. He will perform a review of work performed by all staff on the engagements of the annual financial statement audit and single audit.
- **Hope Wheeler – Sub-regional Lead for State and Local Government** – Hope will support the other members of the engagement team on a consultive basis and will be involved in the planning and development of the financial statement audit work plan.
- **Katie Bermingham – Manager** – Katie will support the senior and staff auditors with technical matters. She will be responsible for technical review of the workpapers, financial statements, and single audit to provide conformance with the requirements of the GASB. Katie will be heavily involved in the performance of the financial statement audit and the single audit.
- **Sam Cigelnik – Tax Engagement Senior Manager** – Sam will have responsibility for the preparation of all tax filings for the Designated Zone Organization.
- **Lindsey Samp – Senior** – Lindsey will serve as the engagement in-charge and will work closely with the engagement principal and manager in planning and executing the audit. She will be responsible for supervising the day-to-day engagement activity and working on the higher risk audit areas.
- **Steve Perrone, Senior, and Public Sector Associates** – The public sector staff will work closely with the engagement principal, manager and in-charge. They will be responsible for working on the less risky audit areas.



CLA has the professional resources to meet the time requirements as outlined in the request for proposal. The City would be considered a significant client to our firm, and as such we are committed to ensuring you have access, when needed, to a large pool of necessary resources. Access to a large pool of local resources is invaluable and ensures the City will have highly qualified and skilled professionals assigned to each project.

*The principals, managers, and staff will be readily accessible to you and will be on site when requested and as needed, and will participate in meetings in person or via phone as appropriate. Staff will be on site to conduct fieldwork with appropriate levels of supervision.*

**Segmentation of Audit**

The following sets forth the level of staff and hours to be assigned to each proposed segment of the engagement. It is estimated that managers will spend 50% of their preliminary and final fieldwork time on-site and that senior staff will spend close to 100% of their preliminary and final fieldwork time on-site. A portion of fieldwork can be performed electronically and off-site, if desired by the City.

Financial audit					
Planning and Preliminary Fieldwork		Final Fieldwork		Reporting and Review	
Principal	20	Principal	30	Principal	60
Manager	40	Manager	120	Manager	200
Senior	70	Senior	200	Senior	40
Associates	<u>70</u>	Associates	<u>200</u>	Associates	<u>-</u>
Subtotal	<u>200</u>	Subtotal	<u>550</u>	Subtotal	<u>300</u>

**Training Activities**

Each member of our professional team, including principals, attends at least 40 hours of technical training annually. When team members work extensively in one of our industry segments, they also attend specific training for that field. Because of our large state and local government industry client base, all levels of our staff are knowledgeable about industry best practices.

Updated information on recent changes in technical standards and regulations, as well as the firm's professional policies and procedures, is distributed to our team members on a regular basis. Individuals are required to familiarize themselves with all current changes in standards and procedures.

**City Staff Support**

Our audit engagement will be planned in such a way that we maximize the efficiency in the use of human resources, both ours and the City's. Accordingly, our plan is designed so that the time necessary to accomplish each audit task is used as effectively as possible. Our audit strategy includes a preliminary audit phase.

The planning procedures generally include the following list. We will ask the staff of the City to help with the information below:

- Gather and review information such as budgets, minutes of meetings of the governing body and related committees, organizational charts, and interim financial statements.
- Provide supporting documentation of significant transactions and account balances so we can provide an analysis and review. This includes fixed assets, long-term debt, compensated absences, and the Schedule of Expenditures of Federal Awards.
- We will coordinate preparation of confirmations with your staff to confirm account balances and certain contractual arrangements with outside parties.
- Provide draft version of the government-wide, combining, and individual fund financial statements.
- We will make inquiries of management related to accounting estimates and accounting procedures, and the handling and classification of various transactions and account balances.





## SECTION 3) CITY OF PEORIA: AUDIT STAFF AVAILABILITY AND ACCESSIBILITY

### Commitment to Communication

We are committed to ongoing communication throughout the engagement. Continual communication starts when an engagement letter is issued, continues until the completion or closeout of an engagement and throughout the remainder of the year. We believe effective communication is critical to a successful engagement. This communication includes the exchange of ideas and advice as changes are considered or implemented by the entity or the accounting profession.

During the engagement we will continue to hold regular status meetings with the City to confirm day-to-day operations, results, and any issues are commonly understood and addressed. The objectives of tracking and formally reporting the engagement status are to:

- Provide a consistent technique for monitoring progress against plan
- Identify any issues quickly to allow for timely corrective action
- Provide an objective rather than subjective evaluation of status
- Provide timely information on a regular basis
- Assist with obtaining buy-in of any audit recommendations on a timely basis

Our proactive measures ensure communications, both written and oral, are ongoing, relevant and routine to our engagements. Our commitment to this practice ensures open lines of communication and often prevents and/or mitigates service delivery issues. Our professionals are trained in documenting observations, recommendations, business issues and new developments as part of their daily routine.

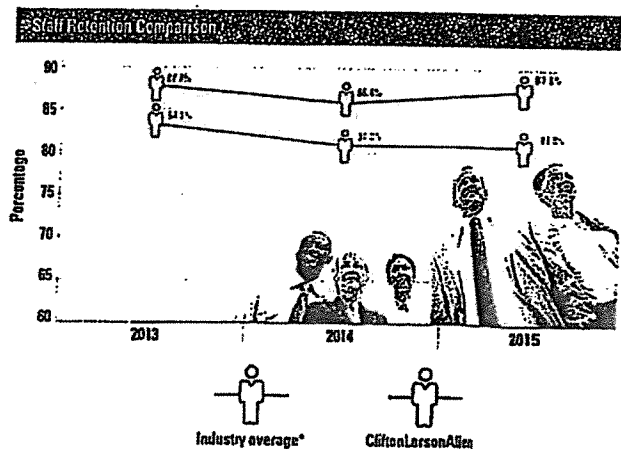
Firm policy and culture requires that we respond to any communication within 48 hours of receipt, but our typical response times are much shorter as many phone calls, emails, etc. are returned within 24 hours, if not the same day. It is our professional responsibility to keep management informed of current trends and governmental industry developments.

### Continuity of Service

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, ensuring maximum efficiency and keeping the learning curve low. We are also flexible in exploring alternative solutions to non-mandatory rotation policies.

In any business, however, turnover is inevitable. When it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have an adequate number of qualified staff members to provide the City with top service over the term of the engagement.

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. Continuity results in increased efficiency and quality because staff assigned to the engagement will not have to go through a "learning curve" with annual engagements or each new project. Client staff spends less time orienting the engagement team, and more time working toward goals. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.



## SECTION 4) CITY OF PEORIA: DETAILED AUDITING SERVICES PROPOSAL

### Audit approach

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual check up that allows us to have insight into your organization and to share in-depth advice on how to improve your operations.

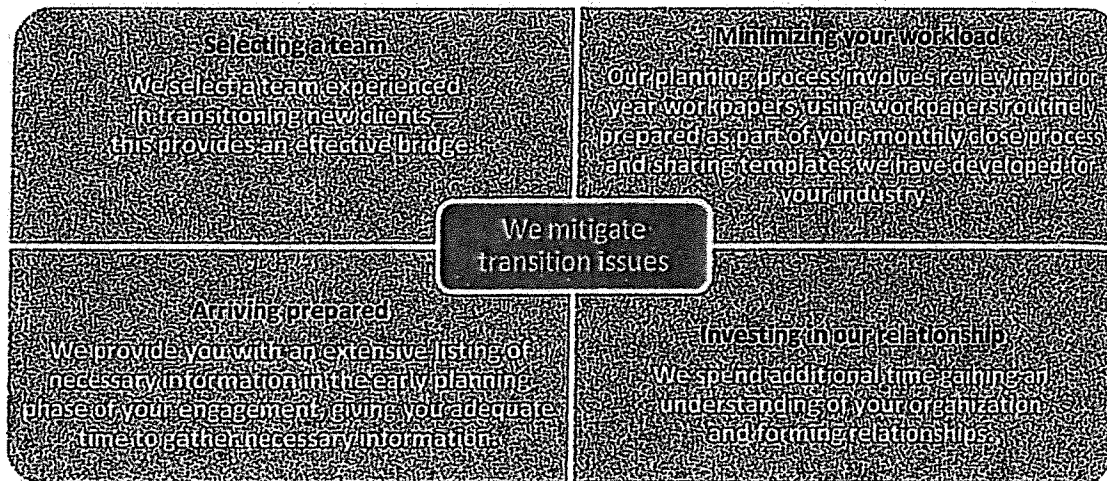
**Our industry experience makes it easier:** CLA auditors are experienced in your industry which allows us to make the process faster and smoother. We approach our client engagements with a commitment to operational efficiency and to leverage our industry focused experience to bring positive impact and meaningful insights to our clients. What does this mean for your organization? It means we bring a team of professionals and an approach focusing on you, our client, listening to and working with you for a successful outcome.

**Your time has value:** Our approach recognizes that your time is valuable and best spent with key decision makers asking clarifying questions, discussing organizational strategies, and dealing with sensitive reporting issues. We believe this approach is effective and efficient, produces a quality audit, provides you with substantive discussions with our team leaders, and recognizes there is value to time spent discussing significant issues with management.

**No surprises:** Our experience enables us to focus on the areas of your organization that possess the greatest risk. Our emphasis on planning and communication allows for an efficient and effective audit process in which everyone involved knows his or her roles and expectations. Issues, as they arise, are dealt with immediately, not accumulated until the end of the audit. We provide a *"no surprises"* approach to our services, based on frequent and timely communication. As potential issues arise during the course of the audit, we will engage the right people in timely and frank discussions as a means of gaining resolution immediately.

**Significant involvement of principals and managers:** An important distinction between CLA and other firms is the amount of principal and manager involvement in the engagement. Because our principals and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management so that the engagement is essentially complete when fieldwork ends.

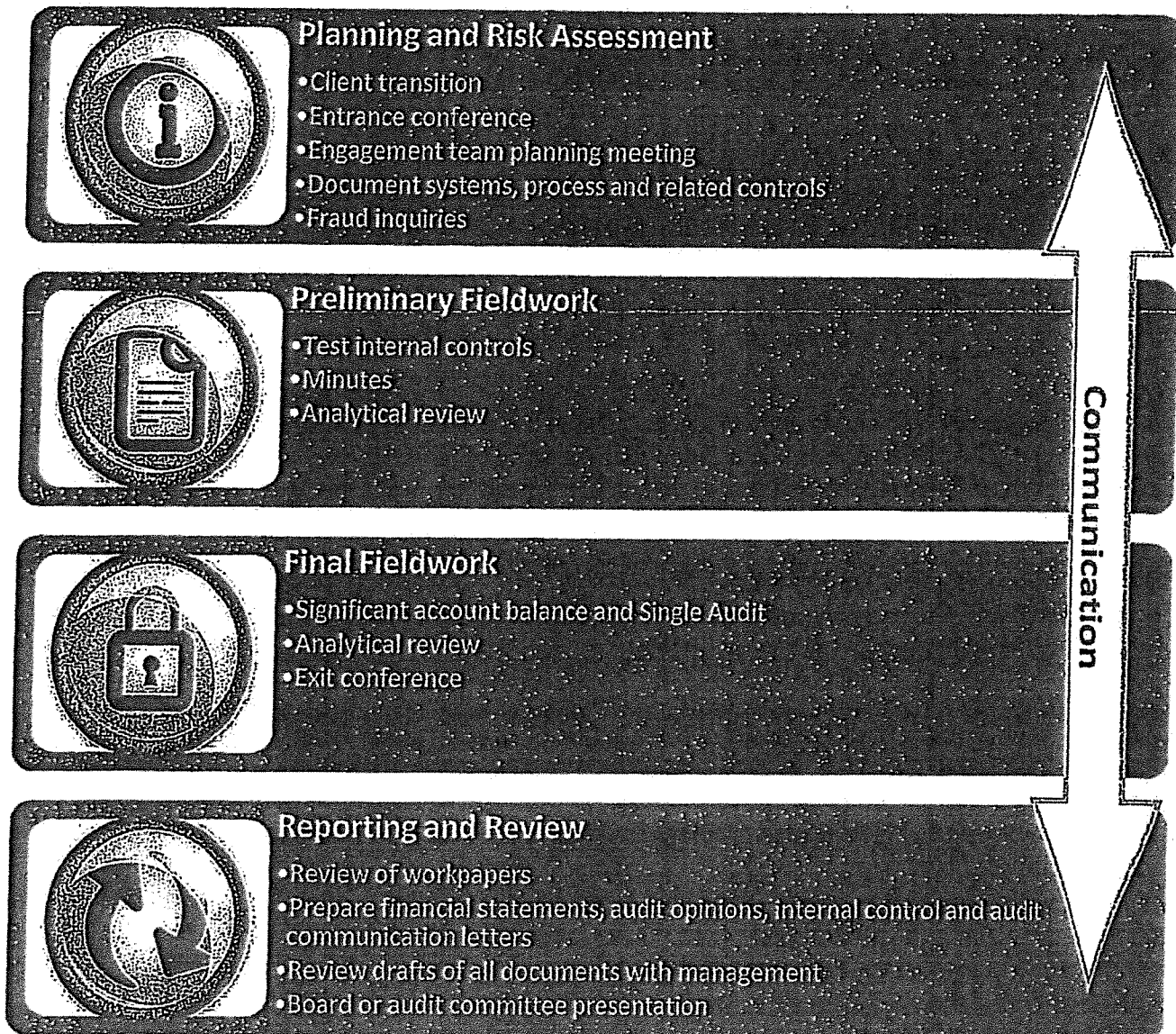
**A simple transition:** We recognize changing accounting firms presents an opportunity as well as a challenge. Our approach deliberately and effectively minimizes the impact of transition.



**We tailor the audit just for you:** We begin the audit with a thorough planning and preparation phase and culminate with the timely delivery of our reports. We will work with you immediately to coordinate and schedule the engagement to minimize any potential disruptions to your operations. We envision that we immediately begin our planning process upon receipt of a signed engagement letter. We will then work with you to finalize dates that accommodate your schedules. While our audit programs provide typical approaches for given audit areas, CLA tailors and designs a client specific, risk-based audit approach. We don't follow a "cookie cutter" approach. We use custom, industry-tailored, programs, procedures and other tools that are designed specifically to focus on the issues that are applicable to local government.

We explain exactly what we're doing and what we've found in plain everyday language. We translate our findings into ideas on how you can address them. We believe our services are a contributing factor to better practices. We gain a better understanding of your organization by working closely with your staff. This involvement enables us to offer you recommendations or suggestions for improvement in your systems and procedures that are more comprehensive, better understood, and more frequently implemented.

The CLA audit methodology utilizes a four phase approach.



When performing an audit, we are sensitive and understanding of the fact that we report to those charged with governance. We maintain objectivity and independence in order to be able to issue our audit opinions. We will act within our philosophy of total client service, maintain the professional relationship refined with management, and fulfill our responsibilities with the utmost professionalism.

### ***Continuous communication***

Communication is an important part of making an audit efficient. Not only do we believe in an open line of communication during the audit period, but year round as well. We want your staff to feel comfortable in calling any one of our audit team members with questions or thoughts they may have concerning accounting, audit, or other issues. We feel it is much more efficient if your staff has us available as a resource throughout the year, allowing you to have the proper guidance when an issue arises rather than when the audit begins.

Communications with management will occur at different times during the audit and throughout the year, as follows:

#### ✓ **Entrance Conference**

Prior to commencement of audit activities, the engagement team will meet with management, and accounting personnel, to discuss timing of the audit, expectations and audit, accounting, or other issues. We will also meet with representatives of the governing body to identify expectations and conduct fraud inquiries.

#### ✓ **Fraud-Risk Discussions**

The engagement principal and manager will hold discussions with members of management to obtain an understanding of potential risks of fraud within the organization. These discussions are required by audit standards issued by the American Institute of Certified Public Accountants, and will be held during the planning phase of our audit.

#### ✓ **Audit Exit Conferences**

We will conduct a formal audit exit conference with management, along with other personnel as needed, at the close of preliminary and final audit fieldwork to review any comments relating to internal control and procedures and audit findings and recommendations. We will also present our observations about your organization's operations. Upon review of all deliverables, we will conduct a meeting with management personnel to review draft documents prior to finalization.

#### ✓ **Communication of Internal Control Related Matters**

The audit standard, *Communicating Internal Control Related Matters Identified in an Audit*, applies in all audits and requires the auditor to communicate significant deficiencies or material weaknesses in internal control in writing.

We will discuss, immediately upon discovery, any instances of material accounting or internal control weakness or suspected fraud, defalcations, collusion or manipulation, and request instruction as to how to proceed with the audits.

#### ✓ **Management Letter**

At the conclusion of our audit, we will also communicate other recommendations and suggestions for strengthening your policies, accounting procedures, and or processes which represent other opportunities for improvement but do not meet the definition of internal control matters defined above, by way of a management letter.



✓ **Irregularities and Illegal Acts**

It is our firm's policy to immediately report alleged irregularities or illegal acts to the level of management having immediate oversight of the department or employee(s) suspected of committing the act. Professional standards also require us to report such matters directly to the governing body, depending upon the materiality of an identified illegal act.

✓ **Report to Those Charged with Governance**

We will make certain the City Council and management are informed of each of the following:

- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments and passed adjustments, if any
- Disagreements with management, if any
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

✓ **Presentation of the Audit**

We will present the auditors' reports, financial statements, executive audit summary including management letter points, and required communication letter to the governing body.

✓ **Updates on New Standards**

During the planning meeting prior to the engagements, part of our formal discussion will be to communicate changes to audit and accounting standards which will affect the current engagement. We will also make management aware of upcoming changes as we are made aware of them throughout the year via e-mail, webcasts, meetings or phone communications.

✓ **Meetings during Nonaudit Periods**

We also offer to meet with management during the nonaudit period to provide optimal client service and audit product quality. We find that these meetings with representatives of management allow the client representatives opportunities to ask questions of current and possible future transactions and activities that might affect the audited financial statements.

***Planning and risk assessment***

Our firm follows a risk-based framework to build our audit plan. CLA, management, and governance together identify and assess risks concerning the organization, material accounts, and transactions impacting the year-end financial statements, federal and state regulations.

During the planning stages and throughout the audit, we identify the external and internal pressures and risks influencing the organization's financial statements, operations, and future goals. Inputs to our risk identification process include, but are not limited to the following:

- Analysis of preliminary financial statements prior to commencing audit fieldwork
- Planning meetings with management
- Planning meeting with the body governing the audit process
- Reading of governance meeting minutes
- Analysis of control activities
- Review of budgets
- Review of grant documents
- Review policy and procedure documents



We utilize a paperless audit process, encouraging the use of electronic resources to communicate and increase the efficiency of our engagement. In our experience working with other similar organizations, we believe that virtually all the workpapers we require can be provided electronically and are generally readily available. Most of the analyses, schedules, and other supporting documentation we request are generally prepared by our clients as part of their process to close the books for the year. We also have many templates available to you to assist you in the process of gathering the necessary audit support, if needed.

We will work with you to identify the information already available as a result of closing the books for each year and to develop a comprehensive list of other information we will need to conduct the audit during the initial planning stage of the audits.

### ***Preliminary fieldwork***

Our risk-based audit approach provides significant benefits, including:

- More emphasis on using knowledge of the organizations – which includes understanding your control environment – to assess risk and make testing decisions.
- Assessment of the control environment, identifying operating and control recommendations.
- A focus on assessment of the effectiveness of a combination of controls, instead of compliance testing individual control procedures, as the basis for judgment about control risk.
- A stronger linkage between risk assessments and testing decisions through an increased focus on control categories.

We will utilize a risk-based, top-down approach to evaluate the materiality and significance in determining effective and efficient IT audit procedures. It will consist of the following:

- An evaluation of organization-wide IT general controls and their effect on audit risk, and on the extent of audit testing. Effective organization-wide IT general controls can reduce audit risk, while ineffective agency-wide controls can result in increased audit risk and generally contribute to weaknesses at the system and individual application level.
- An evaluation of general controls and their pervasive impact on application controls. Effective general controls support the effectiveness of application controls, while ineffective general controls generally render application controls ineffective.
- An evaluation of security management at all levels of control (agency-wide, system, and application levels).
- A control hierarchy (control categories, critical elements, and control activities) to assist in evaluating the significance of identified IT control weaknesses. If a critical element is not achieved, the respective control category is not likely to be achieved.
- Groupings of control categories consistent with the nature of the risk.

We pride ourselves on developing and implementing an IT audit approach and methodology that is flexible, risk sensitive and makes maximum use of our experience and professional judgment. Our IT approach and methodology allows us to perform an audit from management's perspective, allowing us to make observations and recommendations that are responsive to the concerns of City's management.

We will test major transaction cycles during our preliminary work. We will also perform analytical procedures to gain an understanding and develop expectations around the organization's operations. This review will include comparison of interim results to budget and prior year operations. We will also use this time to read minutes of the governing body, plan confirmation procedures and other general audit documentation.



### ***Final fieldwork***

An important distinction between CLA and other firms is the amount of principal and manager involvement in the engagement. Because our principals and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management so that the engagement is essentially complete when fieldwork ends.

#### ✓ **Development of materiality**

The concept of materiality focuses our attention on areas that are significant to the financial statements. In this manner we utilize a “top-down” risk assessment that provides us with the basis for determining the most effective audit-testing plan. In our assessment, we consider quantitative materiality factors such as:

- Materiality of individual operations
- Degree of risk of loss or error – e.g., complex transactions

We also consider qualitative materiality factors such as:

- Inherent complexities of operations
- Inherent risks related to control risks associated with account balances and transactions
- Status of changes in financial systems
- Nature and degree of centralization of key functions
- Industry, economic, political and regulatory environment
- Public scrutiny and effect on operations – sometimes called “media” or “headline” risk
- Needs and concerns of management
- Needs and concerns of citizen groups

#### ✓ **Sampling**

We will use sampling throughout the audit process as appropriate, including drawing sample sizes for purposes of testing transactions, account balances and compliance. Generally, sample sizes will range from 25 to 60 items, depending on the nature of the controls and the population being tested. We closely follow guidance issued by the American Institute of Certified Public Accountants when planning our sample sizes.

#### ✓ **Analytical Review**

Analytical review is a key component of our audit process. Analytical comparisons to prior year, budget and other statistical information will be incorporated. We also incorporate robust analytical procedures such as predictive tests using statistical data to evaluate account balances in greater detail.

### ***Summary of benefits***

The City will realize the following benefits from CLA’s services —

- An objective look at your operations to help you make sound decisions.
- Credibility only an outside professional can provide your lenders and stakeholders.
- Confidence that accounting principles have been evaluated for application accuracy.
- An opportunity to improve internal controls and accounting procedures, which increases reliability of accounting records and financial statements.
- Improved efficiency and effectiveness of the financial and compliance audit service, thus adding value to the process while reducing disruption to your operations.



**Services integration**

An engagement such as outlined in this proposal requires the interaction of numerous individuals working within relatively narrow time frames. Adam Pulley, as your overall engagement principal will make sure the audit teams are in close, regular contact, keeping each other informed of our progress and any issues that arise. We emphasize communication—making sure that issues that cross disciplines are fully evaluated by the entire team. This provides your team members consistent feedback and guidance from our engagement team members.

**Engagement timetable**

Our project management methodology results in a client service plan that provides for regular formal communication with the entire management team and allows us to be responsive to your needs. The schedule allows for input from your personnel to make certain that the services are completed based on your requirements. The plan may also be amended during the year based on input from the City.

Significant Milestones	Target dates
Entrance conference/planning meeting	February 2017
Field audit work begins	March 2017
Final Fieldwork	March – April 2017
Draft of deliverables	May 2017
Final DZO Financial Statements	By June 16, 2017
Final TIF Financial Statements	By June 16, 2017
Final CAFR, Management Letter, and SAS 114 Letter	By June 16, 2017
Final Single Audit Report	By June 16, 2017
Illinois EPA Landfill Assurance Report	By June 16, 2017
Single Audit Clearinghouse Report	July 2017
Illinois Comptroller's AFR	By June 20, 2017
DZO Information Return (IRS Form 990)	By August 15, 2017
DZO Information Return (IL Attorney General Form AG990IL)	By August 15, 2017
Formal Responses to Prior Year GFOA Certification Comments	By June 16, 2017

During the audit process, we will meet with the Finance staff on a weekly basis to ensure consistent communication of the status of the engagement.

**Workpaper retention**

Workpapers will be maintained for at least a seven year period and will be available for examination by authorized representatives of the City, internal audit staff, and by authorized representatives of regulatory personnel, subject to professional ethics requirements. Significant records are stored in one of our secure Master Record Repositories per the engagement type. Upon the receipt of a request for retrieval, an appropriate review format will be determined based on the scope of the examination.

**Resolution of significant engagement controversy**

We recognize that in today's accounting environment there are often no clear-cut answers to questions and issues. Many times the accounting guidance provided by the standard setting bodies may be vague or not directly on point to our clients' issues. While we consistently maintain a high-degree of professional independence and objectivity, we will go the extra mile to identify satisfactory solutions for your organization. In those rare instances when our engagement team and members of your organization may disagree on a specific accounting treatment,





we will perform the following steps until a resolution is obtained:

- Our first step is to consult internally with our office's accounting and auditing quality principal.
- Secondly, we work with our national accounting and auditing quality principal.
- Thirdly, we consult with our firm's managing principal of quality.
- Lastly, we go directly to the standard setting body appropriate for the specific issue.

In order to prevent any significant controversies, CLA maintains a national audit professional practice team to answer technical issues raised by our audit teams or clients. These individuals are fully dedicated to professional practice issues and do not carry a client workload. They also provide guidelines to audit teams when new authoritative accounting or auditing literature is issued by regulatory bodies. Their goal is to be as responsive as possible to the audit teams, and to turn questions around within 48 hours.

Professional requirements of confidentiality preclude any discussion of controversies with clients. From time to time, the firm is a defendant in lawsuits involving alleged professional malpractice. In all cases, the firm believes that it has a strong position and intends to defend itself vigorously. Should the ultimate outcome be unfavorable, however, net of the deductible provisions of the firm's malpractice insurance, all cases are expected to be fully covered by insurance and will not have a material impact on the firm or its ability to perform these services.

Moreover, in those cases where claims have been resolved by settlement (the vast majority of our cases), the firm is typically subject to confidentiality agreements that prohibit the disclosure of information regarding those matters. Disclosure by the firm of any details about those matters could invalidate the settlement agreements.



## SECTION 5) OVERVIEW OF CLA, REFERENCES AND PEER REVIEW

### Firm organization and size

CLA is a professional services firm delivering integrated wealth advisory, outsourcing, and public accounting capabilities to help enhance our clients' enterprise value and assist them in managing their operations — all the way from startup to succession and beyond.



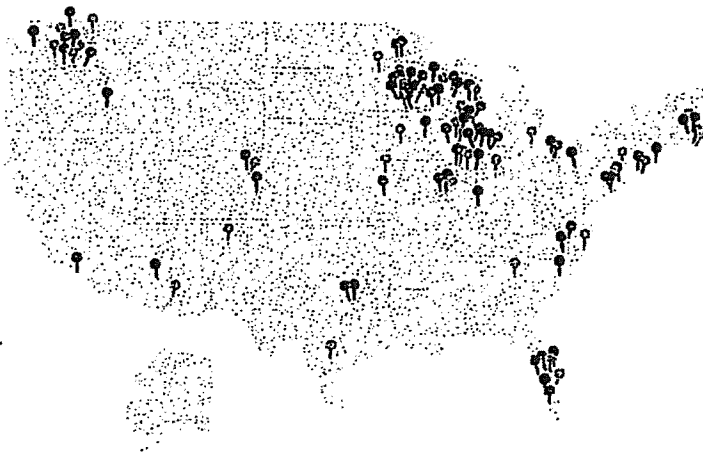
WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

### The CLA Promise

Our interactions with you are designed to support your goals and dreams and impact your success.



Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. With more than 4,500 people, 100+ U.S. locations, and a global affiliation, we bring a wide array of solutions to help clients in all markets.



**Our mission:**  
Impactful  
interactions  
for success



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**What makes us different?**

You can depend on CLA for several uncommon advantages:

**Deep industry specialization**

Our people are industry practitioners first and foremost. You will work with professionals who know you, your organization, and your industry — and combine their knowledge with yours to make you stronger.

**Seamless, integrated capabilities**

We offer planning and guidance, with particular care for you and your organization’s leaders. Our people connect with a vast network of resources behind the scenes — seamlessly presented and delivered for you.

**Premier resource for state and local governments**

Becoming the premier provider to the City calls for a mindset and way of thinking. We help to identify the City’s needs and understand the City’s dream in order to leave a lasting impact.

**THE career building firm**

Our professionals are personally invested in your success, you will work with entrepreneurial people with the freedom and agility to serve you rather than merely perform obligatory functions.

For more information about CLA, visit [CLAconnect.com/aboutus](http://CLAconnect.com/aboutus).

**Location of offices**

The City would be served by professionals from our Central Illinois offices. Following is a breakdown of our professional staff in these offices.

Staff Level	Peoria	Champaign	Bloomington/Normal
Principal	15	4	4
Director/Manager	36	4	4
Senior	22	4	3
Associate	29	6	6

**Services provided**

CLA is a full service certified public accounting firm offering a complete range of traditional auditing, accounting, and tax services. Our professionals deliver highly specialized industry insights, as well as assurance, tax, and advisory services, from offices all over the country. In addition, our professionals offer executive search, information security, outsourcing, private client, wealth advisory\*, forensic, and valuation services.

\*Investment Advisory Services offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC Registered Investment Advisor.

**References**

CLA offers its clients the best of two worlds—a firm with extensive state and local government experience, complemented by a local team dedicated to accessibility and responsiveness. We are pleased to provide you with the following references, who can describe their experience in greater detail. We have more than 50 governmental clients in the state of Illinois and will be happy to provide additional references if requested.



<b>Organization</b>	City of East Peoria, Illinois
<b>Contact Name and Title</b>	Jeff Becker, Director of Finance
<b>Address</b>	401 W. Washington Street, East Peoria, IL 61611
<b>Phone Number</b>	(309) 427-7609
<b>Services Performed</b>	Financial audit, TIF compliance audit

<b>Organization</b>	City of Decatur, Illinois
<b>Contact Name and Title</b>	Gregg Zientara, City Treasurer & Director of Finance
<b>Address</b>	1 Gary K. Anderson Plaza, Decatur, IL 62523
<b>Phone Number</b>	(217)-424-2702
<b>Services Performed</b>	Financial audit, TIF compliance audit, Single audit, Wealth advisory consulting

<b>Organization</b>	Town of Normal, Illinois
<b>Contact Name and Title</b>	Andrew Huhn, Finance Director
<b>Address</b>	11 Uptown Circle, Normal, IL 61761
<b>Phone Number</b>	(309) 454-9516
<b>Services Performed</b>	Financial audit, TIF compliance audit, Single audit

<b>Organization</b>	City of Havana, Illinois
<b>Contact Name and Title</b>	Steve Blessman, Treasurer
<b>Address</b>	227 W. Main Street, Havana, IL 62644
<b>Phone Number</b>	(309) 543-2489
<b>Services Performed</b>	Financial audit, TIF compliance audit, Single audit

<b>Organization</b>	City of Kewanee, Illinois
<b>Contact Name and Title</b>	Gary Bradley, City Manager
<b>Address</b>	401 E. Third Street, Kewanee, IL 61443
<b>Phone Number</b>	(309) 852-2611
<b>Services Performed</b>	Financial audit, TIF compliance audit

<b>Organization</b>	Tazewell County, Illinois
<b>Contact Name and Title</b>	Wendy Ferrill, County Administrator
<b>Address</b>	11 S. 4th Street, Pekin, IL 61554
<b>Phone Number</b>	(309) 478-5704
<b>Services Performed</b>	Financial audit, Single audit, Circuit Clerk audit

<b>Organization</b>	Logan County, Illinois
<b>Contact Name and Title</b>	Vicki Dugan, Treasurer
<b>Address</b>	601 Broadway Street, Lincoln, IL 62656
<b>Phone Number</b>	(217) 732-3761
<b>Services Performed</b>	Financial audit, Single audit, Circuit Clerk audit



<b>Organization</b>	Woodford County, Illinois
<b>Contact Name and Title</b>	Melissa Andrews, Treasurer
<b>Address</b>	115 N. Main Street, Eureka, IL 61530
<b>Phone Number</b>	(309) 467-4621
<b>Services Performed</b>	Financial audit, Single audit, Circuit Clerk audit

<b>Organization</b>	Peoria Park District
<b>Contact Name and Title</b>	Jan Budzynski, Superintendent of Finance
<b>Address</b>	1125 W. Lake Avenue, Peoria, IL 61614
<b>Phone Number</b>	(309) 681-2807
<b>Services Performed</b>	Financial audit, Outsourcing (Preparation of bank reconciliations)

<b>Organization</b>	Peoria Civic Center Authority
<b>Contact Name and Title</b>	Anne Clayton, General Manager
<b>Address</b>	201 SW Jefferson Avenue, Peoria, IL 61602
<b>Phone Number</b>	(309) 680-3580
<b>Services Performed</b>	Financial audit

<b>Organization</b>	Springdale Cemetery Management Authority
<b>Contact Name and Title</b>	Bob Manning, Board Chairman
<b>Address</b>	3014 N. Prospect Road, Peoria, IL 61603
<b>Phone Number</b>	(309) 681-1400
<b>Services Performed</b>	Financial audit

## Peer review program

CLA participates in an external peer review every three years. We also undergo an intensive internal quality control program to determine that professional standards are maintained in our work. This program is designed to provide reasonable assurance that our personnel will be competent and objective and will exercise due professional care. Please see our Peer Review Report in the Appendix of this proposal for more information on this program. CLA is also subject to inspection by the Public Company Accounting Oversight Board (PCAOB).

The most recent peer review report we received expressed a rating of *pass*, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided in the appendix.

## Quality control procedures

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence,



capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.

- An annual internal inspection program to monitor compliance with CliftonLarsonAllen's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CliftonLarsonAllen strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth by OMB.

#### ***Insurance Information***

CliftonLarsonAllen LLP carries commercially reasonable amounts of professional liability and worker's compensation insurance. If requested, the firm will provide a certificate of coverage for an amount specified by City of Peoria upon being engaged.

## **SECTION 6) CLA'S FINANCIAL STATEMENTS**

CLA is one the Top 10 largest accounting firms in the U.S. and maintains a Dun & Bradstreet rating of 5A1. Our Dun and Bradstreet number is 07-763-3311.

Having been in business for more than 60 years, CLA takes pride in the fact that it operates in a fiscally responsible manner. Through strategic planning and responsible fiscal actions in both good and bad economic times, we have built a solid foundation. We proactively plan for these challenges and continuously monitor both revenues and costs to identify and effect adjustments needed to achieve the desired alignment and maintenance of appropriate financial reserves. While recent turmoil in certain economic sectors has created challenging conditions for all businesses, CLA remains, and will continue to be, financially strong.

It is our firm's policy not to enclose confidential financial statements in documents subject to open records requests. Should CLA be selected as the successful bidder, we will provide a copy of our year-end financial statements to the City at that time, if requested.

In addition, please note that CLA is wholly owned by its partners, none of whom owns more than two percent of the firm, thus limiting individual fiscal responsibility.



**APPENDIX**

**Engagement team biographies**



**Adam Pulley, CPA**  
**CliftonLarsonAllen LLP**

Principal  
Peoria, Illinois

309-495-8767

adam.pulley@CLAconnect.com



**CliftonLarsonAllen**

### **Profile**

With ten years of experience, Adam specializes in audits of state and local governmental entities. He has also served the engagements of various governmental entities conducted under the Single Audit and OMB Uniform Grant Guidance standards.



### **Experience Serving Clients**

- Experience serving the following clients:
  - City of Havana, Illinois
  - City of East Peoria, Illinois
  - City of Sandwich, Illinois
  - City of Decatur, Illinois
  - City of Kewanee, Illinois
  - Village of Morton, Illinois
  - Village of Germantown Hills, Illinois
  - Town of Normal, Illinois
  - Peoria Civic Center Authority
  - Springdale Cemetery Management Authority
  - Peoria Park District
  - Logan County, Illinois
  - Tazewell County, Illinois
  - Woodford County, Illinois
  - Livingston County, Illinois
  - Marshall County, Illinois
  - Jo Daviess County, Illinois
  - Board of Education of the City of Peoria District 150

### **Technical Experience**

- Supervise financial audit engagements and single audits
- Provide technical assistance to personnel during engagements
- Assist governmental entities in preparing financial statements to obtain the GFOA Certificate of Excellence in Financial Reporting

### **Education/Professional Involvement**

- Master of accounting from University of Illinois-Urbana-Champaign
- Bachelor of accountancy from University of Illinois-Urbana-Champaign
- Illinois CPA Society
- American Institute of Certified Public Accountants
- Young Professionals Organization of Greater Peoria
- Illinois Government Finance Officers Association
- Finance Committee of Crittenton Centers of Peoria





**Steve Perrone**  
**CliftonLarsonAllen LLP**

Senior  
Peoria, Illinois



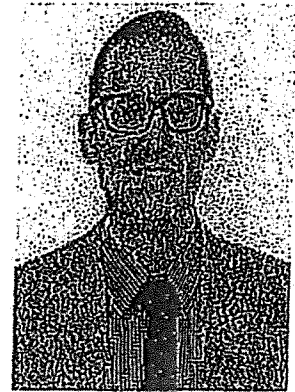
**CliftonLarsonAllen**

309-495-8772

steven.perrone@CLAconnect.com

**Profile**

Steve has more than three years of experience in providing auditing and assurance services for governments. Many of the engagements of governmental entities were conducted under the Single Audit and OMB Standards.



**Experience Serving Clients**

- City of East Peoria, Illinois
- City of Havana, Illinois
- Peoria Housing Authority
- Eastern Illinois University
- Logan County, Illinois
- Peoria Civic Center Authority
- Springdale Cemetery Management Authority
- Heartland Community College
- Pekin Community High School District 303
- Special Education Association of Peoria County
- Peoria Park District
- North Tazewell Public Water District
- Fondulac District Library
- Morton Public Library

**Education/Professional Involvement**

- Bachelor of science in accounting from University of Illinois-Chicago



**Peer review report**





## System Review Report

To the Principals of CliftonLarsonAllen LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the firm) applicable to non-SEC issuers in effect for the year ended July 31, 2013. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to non-SEC issuers in effect for the year ended July 31, 2013, 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*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

*Cherry Bekaert* LLP

Cherry Bekaert LLP  
November 12, 2013



