

# A. Title Page

Proposal to provide professional audit and tax services to:

# City of Olathe, Kansas

Name of the firm	CLA (CliftonLarsonAllen LLP)
Address	1100 Walnut Street, Suite 3400 Kansas City, MO 64106
Telephone number	816-704-7310
Contact person	Kevin Smith, CPA, Principal
Date	October 13, 2025

## CLAconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See <a href="CLAglobal.com/disclaimer">CLAglobal.com/disclaimer</a>. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



# **B.** Required Forms

# Vendor response form notarized affidavit

	CITY OF OLATH AFFIDA	•
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	E OF ) SS.	
COUN	NTY OF)	
	of the City of, (Name of individual)	
being	County of, State of, g duly sworn on her or his oath, states;	
1.	That I am the (Title) of (Firm Name), and have been authorized by said firm to make this affidavit	on its behalf;
2.	(Check the box the applies)  No officer, agent or employee of the City of Olathe, K is offering to sell to the City pursuant to any solicitation issue OR	Cansas is financially interested, directly or indirectly, in what firm ed by the City of Olathe;
		the City of Olathe would be financially interested in or receive a work, or service provided to the City of Olathe: (list all such
3,	of the City would be financially interested in or receive any to OR  The following officer(s), agent(s), or employee(s) of the following officer(s).	rice for the City of Olathe, Kansas, no officer, agent or employed benefit from the profit or payments of such; the City of Olathe would be financially interested in or receive a work, or service provided to the City of Olathe: (list all such
4.	Firm has not participated in collusion or committed any ac anyone's response or lack of response any solicitation issued	ct in restraint of trade, directly or indirectly, which bears upor d by the City of Olathe.
CLA	(CliftonLarsonAllen LLP) (Firm Name)	Federal Tax ID # 41-0746749
Ву:	(Signature)	Subscribed and sworn before me this & day o
Kevi	n Smith (Printed Name)	October 2025
Pri	incipal (Title)	
Maili	ing Address 1100 Walnut Street, Suite 3400	NOTARY PUBLIC in and for the County of Sacleson
City,	State, Zip Code Kansas City, MO 64106	State of Mussauj
	ne 816-704-7248 Fax 816-704-7250	My commission expires: 3~ 23~ 2026
Phon	kevin.smith@CLAconnect.com	SEAL
	REVIII.SITIICI (@OLAGOTITIEGE.GOTI	

My Commission Expires Mar 23, 2026

## **EXHIBIT A - COST SUMMARY**

Staff Assigned	Hours	Rate	Total Cost
Quality Accurance Partner	10	\$200	\$2,000
Quality Assurance Partner	10	\$200	\$2,000
Partner	40	\$200	\$8,000
Supervisory Staff	275	\$160	\$44,000
Staff	375	\$100	\$37,500
Subtotal of Professional Services	700		\$91,500
Meals and lodging			-
Transportation			-
Technology Fee (5% fees)			\$4,575
Subtotal of Out-of-Pocket Expenses			\$4,575
Total Cost for 2025 Audit			\$96,075
Total Cost for 2026 Audit			\$99,900
Total Cost for 2027 Audit			\$103,900

Additional Services	2025	2026	2027
Single Audit – additional cost for each major program	\$6,800	\$7,070	\$7,350
Olathe Housing Authority Audit and REAC Submission	\$17,500	\$18,200	\$18,915
Fireman's Relief Fund – audit and IRS 990 return preparation	\$12,300	\$12,800	\$13,310
Park & Recreation Foundation – IRS 990 return preparation	\$1,700	\$1,765	\$1,835
Mahaffie Foundation – IRS 990 return preparation	\$1,700	\$1,765	\$1,835
Hourly Fees for Consultation	\$150	\$155	\$160

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# D. Transmittal Letter

October 13, 2025

Shari Pine Interim Procurement Manager City of Olathe, KS PO Box 768 Olathe, KS 66051-0768

Via electronic submission only

Dear Shari:

Thank you for inviting us to propose. We look forward to the opportunity to provide services to the City of Olathe, Kansas (the City).

# Required statements

# (1) Understanding of the work to be performed

We have read the Request for Proposal (RFP) and understand the scope of the work to be performed as detailed in the RFP. Should CLA be selected to serve this engagement, we will perform these services within the time period specified in the RFP and as finalized in the planning stages of the engagement.

# (2) Persons authorized to make representations for the firm

I, Kevin Smith, your engagement principal-in-charge, will serve as the City's primary contact person for this engagement. Furthermore, as a principal of CLA, I am authorized to sign, bind, and commit the firm to the obligations contained in this proposal and the City's RFP. My contact information is as follows:

Kevin Smith, Principal Office: 816-704-7248

Email: kevin.smith@CLAconnect.com

We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement. The following differentiators are offered for the City's consideration:

- Industry-specialized insight and resources As one of the nation's leading professional services firms, and
  one of the largest firms who specialize in regulated industries, CLA has the experience and resources to
  assist the City with their audit needs. In addition to your experienced local engagement team, the City will
  have access to one of the country's largest and most knowledgeable pools of regulated industry resources.
- **OMB Uniform Guidance (UG) experience** 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. The single audit requires a specific set of skills to properly perform the procedures. As such, we have developed a group of professionals who specialize in providing single audit services.

- Strong methodology and responsive timeline In forming our overall audit approach, we have carefully reviewed the RFP and other information made available and considered our experience and work with similar clients. Our local government clients are included amongst the more than 3,700 governmental organizations we serve nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. The work plan also reduces disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.
- Communication and proactive leadership The City will benefit from a high level of hands-on service from our team's senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at the City and take an active role in addressing them.
- A focus on providing consistent, dependable service We differ from other national firms in that our
  corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload
  compression typically experienced by firms that must meet public companies' SEC filing deadlines. CLA is
  organized into industry teams, affording our clients with specialized industry-specific knowledge
  supplemented by valuable local service and insight. Therefore, the City will enjoy the service of members of
  our state and local government services team who understand the issues and environment critical to
  governmental entities.
- Fresh perspective By engaging CLA, the City will benefit from a fresh look at its business operations, information systems, and financial risk management policies and procedures. You will be served by an engagement team with enthusiasm and a desire to meet and exceed expectations. We are confident that our industry experience will bring to the City new ideas, creative approaches, and fresh opportunities to meet the financial management and accountability challenges before the City.

We want to serve you and we have the qualifications to deliver quality, timely work. Throughout this proposal, we take you on a journey outlining how we'll work together and the value you can come to appreciate when we exceed expectations. For ease of evaluation, the structure of our proposal follows your RFP section titled, *Submission of Proposals*.

Please contact me if I can provide additional information on our firm or our proposal.

Sincerely,

CliftonLarsonAllen LLP

Kevin Smith, CPA

Principal

816-704-7248

Kevin.smith@CLAconnect.com

# E. Profile of the Firm

# (1) National firm, local presence

It takes balance.<sup>TM</sup> With CLA by your side, you will find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.

CLA is a leading accounting firm employing some of the most talented and knowledgeable professionals in our industry. With more than 130 locations throughout the United States, we make it our mission to have local offices that serve our clients efficiently. The engagement for the City will be led by our local industry-specialized professionals with support from our firm-wide industry professionals and leaders.



As a professional services firm, we exist to create opportunities ... for you, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. We do this when we live the CLA Promise — a promise to know you and help you.

## Opportunities for you



You'll find resources you would expect in the largest firms, with the personal touch of people who live and work in your community.

You'll access leaders and professionals in communities across the country, rather than from one central headquarters. We work together to look at your organization holistically, and then help you address challenges by offering support where you need it, from traditional audit and tax to outsourcing and wealth advisory.

As you navigate opportunities and challenges in a competitive and constantly changing environment, we'll embrace change, learn from it, and design processes to make interactions easier, more transparent, and seamless.



# Opportunities for our people

At CLA, people find meaningful work in a fun, compelling, and energizing culture. Our people design their own customized careers through our inspired careers strategic advantage. In 2024 our total headcount was relatively the same as in 2023, and we continue to witness a remarkable retention rate of 89%. Inspired by their careers, our family members develop client relationships that bring deeper knowledge and help you shine. We're one family, working together to create opportunities.

What's more, CLA is building a culture of connection and belonging that welcomes different beliefs and perspectives. We want to represent the communities we serve and foster an environment of inclusion and belonging, resulting in enhanced value for our clients, our communities, and each other.

*Inclusive:* We embrace all voices and create opportunities by removing barriers and helping our people build inspired careers.

# Opportunities for our community

CLA's community impact team unifies the work of connection, belonging and the CLA Foundation with a laser focus on advancing education, employment, and entrepreneurship within CLA and throughout our society.

Since 2015, our CLA Foundation has granted more than \$13 million from nominations made by and funds raised from CLA family members. Each grant recipient's work aligns with the foundation's mission to create career opportunities through education, employment, and entrepreneurship by connecting networks inclusive of all genders and races, veterans, and the disability community.

Read more in CLA's annual Promise Report.





# (2) Office location assigned to manage the engagement

Our firm matches the necessary skill set to an engagement before considering the geographic location of the staff. Assigning team members who specialize in working with similar clients can provide the City higher-quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff.

The City will be served by an industry-specialized engagement team primarily located in our Kansas City, Missouri office with support from our Peoria, Illinois, and Cedar Rapids, Iowa offices. The number of staff employed in our Kansas City office is below:

Office Location	Kansas City, Missouri
Number of Professional Staff Employed	38

# (3) Range of services offered

CLA provides a full range of accounting and consulting services — including audit, tax, business outsourcing, wealth advisory, valuation and forensic services, internal technology security assessments, digital, and more to multiple industries.

Describe the range of activities performed by the office, such as auditing, accounting, tax services, management services, etc.





# (4) State and local government experience

You can benefit from a close personal connection with a team of professionals devoted to governments. Our goal is to become familiar with all aspects of your operations — not just the information needed for the yearend audit — so that we can offer proactive approaches in the areas that matter most to you:

- Finding new ways to operate more effectively and efficiently
- Responding to regulatory pressures and complexities
- Maintaining quality services in the face of changing budgetary priorities
- Providing transparent, accurate, and meaningful financial information to stakeholders, decision-makers, and your constituents

We understand the legislative changes, funding challenges, compliance responsibilities, and risk management duties that impact you. Our experienced government services team can help you navigate the challenges of today, all while seamlessly strategizing for the future.



## Size of firm's governmental audit staff

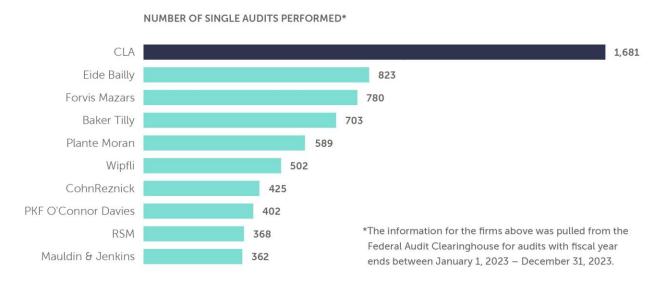
With more than 700 professionals dedicated to our state and local government practice, CLA has one of the largest governmental audit and consulting practices in the country and brings extensive experience providing a variety of such services to state and local government entities. Our state and local government team serves more than 3,700 governmental engagements nationwide, including numerous cities, counties, municipalities, states and state agencies, and school boards. In addition, we perform single audits for hundreds of organizations annually (1,681 according to the most recent Federal Audit Clearinghouse data), ranking top in the nation for the number of single audits performed by any CPA firm.



## Single audit experience

# CLA performs the largest number of single audits in the United States

We audited nearly \$229 billion dollars in federal funds expended in 2023. The chart below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving the government and nonprofit industry.



It is more important than ever to find qualified auditors who have significant experience with federal grants specific to the City and can enhance the quality of the City's single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB's *Uniform Guidance* and who can offer both knowledge and quality for the City. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

You'll need an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved and will benefit from CLA's experience in this area.

## Single Audit Resource Center (SARC) award

CLA received the <u>Single Audit Resource Center (SARC) Award</u> for Excellence in Knowledge, Value, and Overall Client Satisfaction. SARC's award recognizes audit firms that provide an outstanding service to their clients based on feedback received from an independent survey.

The survey queried more than 10,000 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2024 fiscal year-end audit. The SARC award demonstrates CLA's dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.



### Deep industry connections

CLA actively supports industry education as a thought leader and industry speaker. We focus on supporting the educational needs of the industry through nationally sponsored trade events. Our team of 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, including those shown here.



We are also actively involved in and/or are members of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- AICPA's State and Local Government Expert Panel
- AICPA's Government Audit Quality Center (GAQC)
- Government Finance Officers Association (GFOA)
- Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Association of Government Accountants

Our involvement in these professional organizations, combined with various technical services we subscribe to, allows us to be at the forefront of change in the constantly changing government environment. We take our responsibility for staying current with new accounting pronouncements, auditing standards, other professional standards and laws and regulations seriously.

## Insight to strengthen your organization

When you're ready to go beyond the numbers to find value-added strategies, we offer resources to help you respond to challenges and opportunities including:

- National webinars Access complimentary professional development opportunities for your team.
- <u>Articles and white papers</u> Stay current on industry information as issues arise.

**Curious:** We care, we listen, we get to know you.



# Support at every turn

With <u>dedicated services specific to state and local governments</u>, you have access to guidance on all aspects of your operations.

- Audit, review, and compilation of financial statements
- Compliance audits (HUD, OMB Single Audits)
- Cybersecurity
- Enterprise risk management
- Forensic accounting, auditing, and fraud investigation
- Fraud risk management
- Grant compliance
- Implementation assistance for complex Governmental Accounting Standards Board (GASB) statements
- Internal audit
- Outsourced business operations
- Performance auditing
- Purchase card (p-card) monitoring and analytics
- Risk assessments
- Strategic, financial, and operational consulting
- Telecom management services
- Business opportunity assessments
- System optimization and selection







#### Certificate of achievement assistance

The Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting is awarded to state and local governments that go beyond the minimum requirements of generally accepted accounting principles. It is awarded to state and local governments who produce an annual comprehensive financial report that evidences the spirit of transparency and full disclosure. Members of the GFOA staff and the GFOA Special Review Committee (SRC) review reports submitted to the ACFR program.



CLA provides audit services to many entities that received the GFOA Certificate of Excellence in Financial Report. All of the procedures noted in our audit approach and our technical review of the ACFR are done to help the City prepare and publish the top product possible. Our managers and principals who review the ACFR have a strong understanding of the GFOA requirement for the certificate. We understand that this is a prestigious award for the City and a great accomplishment for the Finance and Accounting departments.

We will review the GFOA comment letter for each ACFR and provide the City advice regarding the response to the GFOA reviewer's comments. Our procedures with respect to the ACFR will be the review of the comments from GFOA on the prior year submission to determine they were adequately addressed, completion of the ACFR checklist, and review of the transmittal letter and statistical data to determine that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis (MD&A), where applicable.

We understand the interrelationships of the many and varied components of a governmental entity's financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of knowledge and experience also allows us to assist the City with the preparation of the ACFR and improvement of the City's financial statements.

Our involvement with clients in the GFOA Certificate program helps to determine that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them and will do the same for the City.

The table below identifies the professionals who are currently members of the GFOA Special Review Committee together with their length of service with the Committee.

Name	Title	Location	Years Served
Robert J. Callanan, CPA	Principal	Irvine, CA	15+
Daphnie Munoz, CPA	Principal	Irvine, CA	13+
Jacob S. Lenell, CPA	Principal	Milwaukee, WI	12+
Remi Omisore, CPA	Principal	Baltimore, MD	11+



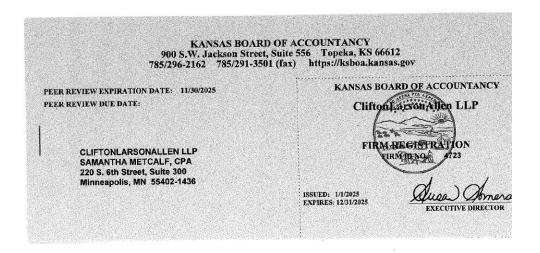
Name	Title	Location	Years Served
Julie S. Fowler, CPA	Signing Director	Sebring, FL	10+
Richard Gonzalez, CPA	Principal	Roseville, CA	10+
Christopher G. Knopik, CPA, CFE	Principal	Minneapolis, MN	10+
Jeffrey Peek, CPA	Principal	Nashville, TN	8+
Shannon D. Small, CPA, MPA	Signing Director	Wauwatosa, WI	7+
Christopher Kessler, CPA	Principal	Fort Myers, FL	4+
Lance Schmidt, CPA, CFE, CIA	Principal	Lakeland, FL	2+
Alexandra Mitchell, CPA, MAcc	Manager	Naples, FL	1+



# F. Mandatory Criteria

# (1) License to practice

CLA is a limited liability partnership and is duly licensed to practice public accountancy in the state of Kansas. A copy of our state license is provided below:



# (2) Firm independence

CLA is not aware of any current or potential relationships that may threaten our independence of the City under the American Institute of Certified Public Accountant's Code of Professional Conduct and its interpretations and the U.S. Government Accountability Office's *Government Auditing Standards*. Our firm-wide quality control policies and procedures foster strict compliance with these professional standards. In addition, the individuals assigned to your engagement are independent of the City.



# **G. Summary of the Firm's Qualifications**

# (1) Your service team

The true value in working with our team is developing a personal and professional relationship with leaders who understand your industry, challenges, and opportunities — with the full support of an entire CLA family behind them.

Meet your service team below.

Engagement Team Member	Role	Years' Experience
Kevin Smith, CPA	Engagement principal – Kevin will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. Kevin is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.	25+
Allison Slife, CPA	<b>Technical resource principal</b> – Allison will be the technical resource for the audit team as well as the City personnel. Allison's many years of serving governmental entities will be an invaluable resource.	16+
Adam Pulley, CPA	Relationship principal —Adam will serve as the City's relationship principal. They are responsible for total client satisfaction through the deployment of all required resources and communication with management and the audit team.	18+
Connie Watson, CPA	Engagement directors – Connie and Andrew will act as the lead directors on the engagement. In this role, Connie and Andrew will assist the engagement principal with planning	19+



Engagement Team Member	Role	Years' Experience
Andrew Moen, CPA	the engagement and performing complex audit areas. They will perform a technical review of all work performed and are responsible for the review of comprehensive annual financial report and all related reports.	13+
Allison Gorham	<b>Senior</b> – Allison will be responsible for the day-to-day activities for this engagement, including the supervision of all staff assigned.	3+

Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to state and local governments.

Detailed biographies can be found in the Appendix.

Collaborative: Support from a responsive local team complemented by national resources. We consider the whole of your organization, bringing innovative teams to the table.



# (2) Similar engagements with other entities

We are no strangers to large complex governmental agencies similar to the City. The table below provides a sample of related and relevant projects CLA has successfully completed for various states and municipal governments, many of which received the GFOA Certificate of Achievement Award. A full list of governmental clients is available on request.

Sampling of State Clients		
Commonwealth of Pennsylvania	State of New Jersey	
Commonwealth of Massachusetts	State of New Mexico	
State of Alaska	State of South Carolina	
State of Delaware	State of Texas	
State of Kansas	State of Vermont	
State of Maine Office of the State Controller	State of Wisconsin	
State of Maryland	State of Wyoming	
State of Mississippi	·	
Sampling of Other Lo	ocal Municipal Clients	
Adams County Government, CO	Arapahoe County, CO	
Arlington County, VA,	Baltimore County, MD	
Boulder County, CO	Bristol County, MA	
Champaign County, IL	City and County of Denver, CO	
City of Albuquerque, NM	City of Alexandria, VA	
City of Berkely, MO	City of Brentwood, MO	
City of Brockton, MA	City of Canton, IL	
City of Crookston, MN	City of Danbury, CT	
City of Danville, IL	City of Espanola, NM	
City of Framingham, MA	City of Glendale, AZ	
City of Hartford, CT	City of Kenosha, WI	
City of Lancaster, CA	City of Louisville, CO	
City of Nekoosa, WI	City of New Britain, CT	
City of Newport, RI	City of Norfolk, VA	
City of Platte City, MO	City of Pleasant Hill	
City of Peoria - Finance Department, IL	City of Phoenix, AZ	
City of Providence, RI	City of Richmond, VA	
City of Rio Rancho, NM	City of Riverside, CA	
City of Sanibel, FL	City of Santa Ana, CA	
City of Santa Fe, NM	City of Scranton, PA	
City of Smithville, MO	City of St Louis, MO	
City of Warwick, RI	City of Waterbury, CT	
City of Wauwatosa, WI	City of Worcester, MA	
City of Zion, IL	Collier County, FL	
County of Barnstable, MA	County of Humboldt, CA	
County of Kern, CA	County Of Lassen, CA	
County of Madera, CA	County of Marin, CA	



County of Mendocino, CA	County of Monterey, CA
County of Montgomery, PA	County of Plumas, CA
County of San Joaquin, CA	County of San Luis Obispo, CA
County of Spotsylvania, VA	County of Stanislaus, CA
Hamilton County, IA	Highlands County Board of County Commissioners, FL
Howard County Government, MD	Iroquois County, IL
Jackson County, IL	Jefferson County, MO
La Paz County, AZ	Lee County, FL
Logan County, IL	McLean County, IL
Menard County, IL	Metropolitan St. Louis Sewer District
Norfolk County, MA	Outagamie County, WI
Plymouth County, MA	Polk County, FL
Prince George's County Government, MD	Santa Fe County, NM
Scott County, MN	St. Charles County, MO
Town and Country, MO	Town of Branford, CT
Town of East Hartford, CT	Town of East Lyme, CT
Town of Greenwich, CT	Town of Groton, CT
Town of Ludlow, MA	Town of Manchester, CT
Town of Mansfield, CT	Town of Marshfield, MA
Town of Stratford, CT	Town of Wallingford, CT
Town of West Hartford, CT	Town of Westport, CT
Town of Wilton, CT	Town of Windham, CT
Vermilion County, IL	Village of Rantoul, IL
Village of Walworth, WI	Washington County, MN
Waukesha County, WI	Woodford County, IL

Additionally, your proposed engagement principal, Kevin Smith, has considerable experience serving cities in the Midwest prior to joining CLA in October of 2025. Below is a partial list of clients he has served throughout his career while leading the state and local government practice in Kansas City at another public accounting firm.

Other Government Clients Served by Proposed Engagement Principal				
City of Blue Springs, MO	City of Leawood, KS	City of Roeland Park, KS		
City of Council Bluffs, IA	City of North Kansas City, MO	City of Springfield, MO		
City of Des Moines, IA	City of Omaha, NE	City of Tulsa, OK		
City of Lawrence, KS	City of Overland Park, KS	Water District No. 1 of Johnson County (WaterOne)		



# (3) References

Our clients say it best. And their independent, authentic perspective is invaluable in learning about the experience you'll have when working with us. We encourage you to connect with our clients to hear about it firsthand.

City of Pleasant Hill			
Client Contact	Amy Johnson, Finance Manager		
Phone Number   Email	816-540-3135   amyj@pleasanthill.com		
Address	203 Paul St., Pleasant Hill, MO 64080		
Date of Services	2018 - present		
Services Provided	Financial statement audit, single audit, and preparation of ACFR		

City of Platte City, Missouri			
Client Contact	Carrie Lutz, Financial Officer		
Phone Number   Email	816-858-3046   clutz@plattecity.org		
Address	224 Marshal Rd   Platte City, MO 64079		
Dates	2021 - present		
Services Provided	Financial statement audit, single audit, and preparation of ACFR		

City of Town and Country, Missouri			
Client Contact	Joan Jadali, Finance Director		
Phone Number   Email	314-587-2808   jadalij@town-and-country.org		
Address	1011 Municipal Center Drive, Town & Country, MO 63131-1101		
Date of Services	2020 - present		
Services Provided	Financial statement audit, single audit, and preparation of ACFR		



City of Brentwood, Missouri			
Client Contact	Michelle DePew, Director of Finance		
Phone Number   Email	314-963-8608 ext. 8606   <u>mdepew@brentwoodmo.org</u>		
Address	1011 Municipal Center Drive, Town & Country, MO 63131-1101		
Date of Services	2021 - present		
Services Provided	Financial statement audit, single audit, and preparation of ACFR		

City of Berkeley, Missouri			
Client Contact	April Walton, City Manager		
Phone Number   Email	314-524-3313 ext. 3703   <u>awalton@berkeleymo.us</u>		
Address	8425 Airport Road, Berkeley, MO 63134		
Date of Services	2024 – Present		
Services Provided	Financial statement audit, single audit, and accounting assistance		

**Transparent:** We place honesty and integrity at the center of all communication. We welcome you to start an open and candid conversation with those who know us best.



# (4) Peer review report

In the most recent peer review report, dated November 2022, we received 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 below. This quality control review included a review of specific government engagements.



#### Report on the Firm's System of Quality Control

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 engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

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

#### Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

#### **Required Selections and Considerations**

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA, and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. CliftonLarsonAllen LLP has received a peer review rating of pass

Cherry Bekaert LLP Charlotte, North Carolina November 18, 2022

herry Bekaert LLP

cbh.com



# H. Firm's Approach to the Audit

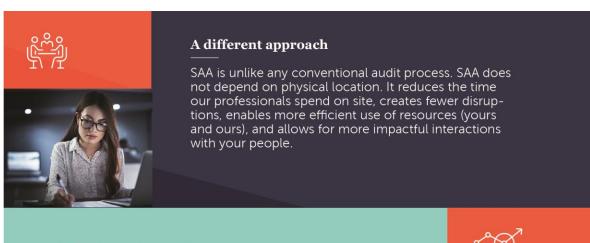
# (1) Work plan to accomplish services

# Easing the transition

We recognize that a move to a new firm presents an opportunity as well as a challenge. Over our 70-year history, we have transitioned many clients and have a collegial and professional relationship with many firms.

## The CLA seamless assurance advantage (SAA)

SAA is an innovative approach to auditing that utilizes leading technologies, analytics, and audit methods to help solve client problems and create a seamless experience.



# **Insights through analytics**

CLA uses strategic data analysis to evaluate whole data sets to gain a deeper understanding of your organization. Insights that were once impossible can now come into focus to help you measure performance, enhance strategic decision making, and understand your competitive opportunities.



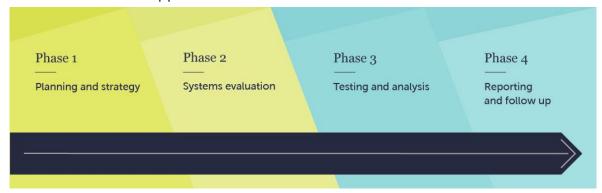


## Effective technology

CLA embraces technologies that help solve client problems and create a seamless experience. Assurance Information Exchange (AIE) is a web-based application developed by CLA to digitally request and obtain audit documents through a secure and efficient online portal.



## Financial statement audit approach



Phase 1: Planning and strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures.

- Conduct an entrance meeting Your proposed engagement team will meet with the City personnel to agree on an outline of responsibilities and time frames
  - Establish audit approach and timing schedule
  - Determine assistance to be provided by the City personnel
  - Discuss application of generally accepted accounting principles
  - Address initial audit concerns
  - Establish report parameters and timetables
  - Progress reporting process
  - Establish principal contacts
- Gain an understanding of your operations, including any changes in organization, management style, and internal and external factors influencing the operating environment
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the City, and establish deadlines

We will document our planning through:

- **Entity profile** This profile will help us understand the City's activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.
- General risk analysis This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.



- **Account risk analysis** This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by client listing** This document will contain a listing of schedules and reports to be prepared by the City personnel with due dates for each item.
- Assurance Information Exchange (AIE) CLA uses a secure web-based application to request and obtain documents. This application allows clients to view detailed information, including due dates for all items CLA is requesting. Clients can attach electronic files and add commentary directly on the application.

The audit engagement will be planned under the direction of the engagement leader and in-charge. We will clearly communicate any issues in a timely manner and will be in constant contact as to what we are finding and where we expect it will lead.

Using the information we have gathered and the risks identified, we will produce an audit program specifically tailored to the City that will detail the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

#### Phase 2: Systems evaluation

We will gain an understanding of the internal control structure of the City for financial accounting and relevant operations. Next, we will identify control objectives for each type of control material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:

- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles, not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether the City has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated prepared by client listing based on our test results and anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application IS controls for applications significant to financial statements to conclude whether IS general controls are properly designed and operating effectively.



Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then assess the significant computer-related controls.

For IS-related controls we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support findings and will provide recommendations for improvement. For IS controls we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

### Phase 3: Testing and analysis

The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing.

After identifying individually significant or unusual items, we will decide the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use TeamMate to efficiently control and select our samples.

Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will provide the City with status reports and be in constant communication with the City to determine that all identified issues are resolved in a timely manner. We will hold a final exit conference with the City to summarize the results of our fieldwork and review significant findings.

#### Phase 4: Reporting and follow up

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing **Standards**
- Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
- Management Letter
- Written Communication to Those Charged with Governance, which includes the following areas:
  - Our responsibility under auditing standards generally accepted in the United States of America
  - Changes in significant accounting policies or their application
  - Unusual transactions
  - Management judgments and accounting estimates
  - Significant audit adjustments
  - Other information in documents containing the audited financial statements
  - Disagreements with the City
  - The City's consultations with other accountants
  - Major issues discussed with management prior to retention
  - Difficulties encountered in performing the audit
  - Fraud or illegal acts



Once the final reviews of working papers and financial statements are completed, our opinion, the financial statements, and management letter will be issued.

The City will be given a draft of any comments we propose to include in the management letter. Items not considered major may be discussed verbally with management instead of in the management letter. Our management letter will include items noted during our analysis of your operations.

We will make a formal presentation of the audit results to those charged with governance, if requested.

### Elevating with artificial intelligence (AI)

CLA is committed to harnessing cutting-edge technology to enhance client service. We may use AI to enhance your audit engagements. This can include:

- **Research and document drafting:** CLA professionals may use Microsoft Copilot to ask questions and make requests of generative AI with secure access to CLA-specific resources.
- **Document summarization**: We may use CLA Family Assistant to help extract and summarize information relevant to our audits, including minutes review, leases, debt agreements, and other document types.
- Invoice extraction: CLA may use AI tools to extract relevant fields from invoices and other documents.

When AI is used, the work is supervised by CLA professionals who verify results before making final decisions. Client information remains confidential when working with these tools.

### Single audit approach

OMB's *Uniform Guidance* (2 CFR Part 200) affects how federal grants are managed and audited and impacts every organization that receives federal assistance. Grant compliance can be a confusing topic and many of our clients rely on their federal funding as a major revenue source, so it is important that they understand what these changes mean to their organization. As a leader in the industry, CLA professionals are available to provide guidance and tools tailored to the City's needs, and to assist in compliance with these rules.

The AICPA clarified auditing standard, AU-C 935 "Compliance Audits", requires risk-based concepts to be used in all compliance audits including those performed in accordance with 2 CFR Part 200. Our risk-based approach incorporates this guidance.

We conduct our single audit in three primary phases, as shown, below:





#### Phase 1: Risk assessment and planning

The risk assessment and planning phase encompasses the overall planning stage of the single audit engagement. During this phase, we work closely with the City's management to determine that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we can identify the Type A and significant Type B programs (25% of Type A threshold) in accordance with the Uniform Guidance
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs
- Determine the major programs to be tested for the current fiscal year based on the previous steps
- Based on our determination of the major programs, we obtain the current year compliance supplement to aid in the determination of Direct and Material Compliance requirements, and customize the audit program accordingly
- Determine the preferred methods of communication during the audit

## Phase 2: Major program testing

We determine the programs to be audited based on the risk assessment performed in the planning phase. We perform the audit of the programs in accordance with UG.

To accomplish this, we perform the following:

- Schedule an introductory meeting and notify the City's management of the major programs for the current fiscal year
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards
- Perform tests of compliance and internal controls over compliance for each major program identified
- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they
  arise
- Conduct entrance and exit conference meetings with each grant manager

#### Phase 3: Final assessment and reporting

We re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified.

Based on the final determination of the programs we perform the following:

- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Perform compliance testing at the entity wide level related to procurement and cash management requirements
- Perform testing to validate the status of prior year findings for those programs not selected for audit.



- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the City's management to review drafts of required reports:
  - Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in Accordance with Government Auditing Standards
  - Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

Throughout the single audit, we maintain communication through periodic progress meetings with those designated by the City. These meetings will be on a set schedule, but as frequently as the City determines. During these meetings, we discuss progress impediments and findings as they arise.

## Staffing plan/matching of resources

Our firm takes the approach of matching the staff with their experienced skill set to the engagement to provide a quality audit and allow us to complete the audit in the most efficient and effective manner with little interruption to your staff. CLA is organized into industry teams, affording our clients specialized industry-specific experience supplemented by valuable local service and insight. Any additional services you request can be matched within our pool of dedicated professionals.

# Level of staff and number of hours to be assigned

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 the services are completed based on your requirements. The plan may also be amended during the year based on input from the internal auditor.

Please see the below chart for the level of staff and approximate number of hours to be assigned to each proposed phase:

Financial Statement Audit					
Engagement Segment	Principal	Manager/ Director	Senior	Associate	Total
Assessment	2	6	8	0	16
Planning and strategy	4	8	10	8	30
Systems evaluations	4	12	30	40	86
Testing and analysis	20	40	111	327	498
Reporting and follow up	20	20	30	0	70
Total	50	86	189	375	700



Single Audit *					
Engagement Segment	Principal	Manager/ Director	Senior	Associate	Total
Risk assessment and planning	1	2	8	0	11
Major program testing	2	3	25	20	50
Final assessment and reporting	2	4	8	0	14
Total	5	9	41	20	75

<sup>\*</sup>Hours include testing of one major program; each additional program required to be tested would add 50 hours to the total Single Audit

## Communication process

Effective communication is critical to a successful engagement. This includes weekly status meetings where observations, potential exceptions, and leading practices are discussed. To avoid surprises at the end of the engagement, we discuss and document our observations, clarify fact patterns, and confirm management's understanding and agreement with our findings.



CLA adheres to all auditing standards related to reporting observations, recommendations, and findings. All significant deficiencies and material weaknesses will be reported to the audit committee/governance in writing. Best practices, observations, and other matters will be reported to management in a management letter that can be used as a tool to track the implementation of our recommendations.

Report to those charged with governance — In addition to observations and recommendations, we will inform the audit committee of:

- 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, if any
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

We are sensitive and understanding of the fact that we report to those charged with governance, and our audit professionals maintain objectivity and independence in issuing audit opinions. If we identify significant fraud, illegal acts, or significant delays during the audit process, we will alert the audit committee timely.

Information related to overall fiscal health or other concerns of your organization observed during audit testing will be presented in the exit presentation and as part of the management letter. We will also help you create opportunities for improvement through recommendations and suggestions for strengthening your policies, accounting procedures, and processes.



### Data analytics

In addition to standard auditing methodology, a distinguishing aspect of CLA's audit services incorporates the power of data analytics to multiply the value of the analyses and the results we produce for clients. CLA's data methodology is a six-phase, systematic approach to examining an organization's known risks and identifying unknown risks. Successful data analysis is a dynamic process that continuously evolves throughout the duration of an engagement and requires collaboration of the engagement team.

Data analytics are utilized throughout our audit process, our Risk Assessment, Data Analytics and Review ("RADAR") is a specific application of general ledger data analytics that has been implemented on all audit engagements. RADAR is an innovative approach created and used only by CLA that aims to improve and replace traditional preliminary analytics that were being performed.



The phases in our data analytics process are as follows:

## 1. Planning

In the planning stage of the engagement, the use of data analysis is considered and discussed to determine that analytics are directed and focused on accomplishing objectives within the risk assessment. Areas of focus, such as journal entries, cash disbursements, inventory, and accounts receivable are common.

### 2. Expectations

We consider the risks facing our client and design analytics to address these risks. Through preliminary discussions with management and governance, we develop and document expectations of financial transactions and results for the year. These expectations will assist in identifying anomalies and significant audit areas in order to assess risk.

#### 3. Data acquisition

Sufficient planning, a strong initial risk assessment, and an adequate understanding of your systems will serve as the foundation necessary to prepare our draft data request list. We will initially request information in written format and conduct follow-up conversations helping CLA practitioners share a mutual understanding of the type of data requested and the format required. If there are going to be any challenges/obstacles related to obtaining data, or obtaining data in the preferred format, they will generally be discovered at this point.

#### 4. Technical data analysis

Technical analysis of the data requires the skillful blend of knowledge and technical capability. Meaningful technical analysis provides the engagement team with a better understanding of the organization. The additional clarity assists the engagement team to better assess what is "normal" and, in turn, be better suited to spot anomalies, red flags, and other indications of risk. Analytics generally fall into five categories, each looking into the data set in a different way and deployed with a different purpose.

#### 5. Interpret results and subsequent risk assessment

Trends and anomalies will be identified through the performance of the above referenced analytics. Comments regarding the interpretation of those trends and anomalies will be captured. When trends are identified, they



are reconciled against expectations. For anomalies identified, the approach to further audit procedures will be considered.

### 6. Response and document

The last process is to capture responses and determine that our procedures are properly documented. Abstracts, charts, or summaries of both trends and anomalies are retained in audit documentation to support our identification of risks. Our analysis can be tailored and customized to help analyze an array of information, including client-specific and proprietary data. Key benefits of data analytics include:

- Built-in audit functionality including powerful, audit specific commands and a self-documenting audit trail
- 100% data coverage, which means that certain audit procedures can be performed on entire populations, and not just samples
- Unlimited data access allows us to access and analyze data from virtually any computing environment
- Eliminates the need to extrapolate information from errors (a common effort when manually auditing data) and allows for more precise conclusions





## CLA Intelligence Platform: Digital services and generative AI

Let us help you harness cutting-edge technology to transform the way your teams work and uncover deeper business and financial insights.



Digital transformation is no longer optional, it's a necessity. With CLA, you'll find a comprehensive suite of capabilities spanning automation and integration, data analytics, software, and cybersecurity — offering you new opportunities to navigate and thrive in the digital age.

By leveraging digital product solutions and services, you can improve your business operations and achieve big goals, whether that's streamlining processes, enhancing customer experiences, embracing generative artificial intelligence (AI), or driving innovation. We help you put digital solutions in place to:





# Consulting and outsourcing

An organization that is strong across functional areas can turn business challenges into opportunity. As human resources compliance issues become increasingly complex, organizations need flexibility to expand and contract to meet rapidly changing business needs.

CLA can help you manage your day-to-day operations so you can focus on what you do best. Whether you need a team to become an extension of yours or simply want resources to lean on, we have the experience to offer relevant guidance and services customized and scaled to your needs — even as those needs change.





# (2) Financial audit

- (a) The audit will be made in accordance with generally-accepted auditing standards.
- (b) The primary purpose of the audit is to express an opinion on the financial statements and that such an audit is subject to the inherent risk that errors or irregularities may not be detected.
- (c) If conditions are discovered which lead to belief that material errors, defalcations or other irregularities may exist, or if any other circumstances are encountered that require extended services, CLA will promptly advise Resource Management.
- (d) No extended services will be performed unless they are authorized in the contractual agreement or in an amendment to the agreement.

# (3) Compliance audit

(a) In accordance with the auditing standards of the cognizant agency or in accordance with other applicable standards, the proposal indicates the necessary procedures to test compliance and to disclose noncompliance with specific laws and regulations.





# I. Firm's Staff Rotation Policy

#### Staff rotation

Staff rotation on succeeding audits can provide a fresh look at the City's business operations, information systems, and financial and risk management policies and procedures. We match our staff and experience levels with the individual needs of the client. CLA follows quality control standards as prescribed by the AICPA. We believe changes can bring innovative ideas, creative approaches, and fresh opportunities. We are also flexible in exploring alternative strategies to non-mandatory rotation policies. While it is not our policy to rotate the engagement team management, we do have the resources to offer additional involvement or bring in other members of our firm as necessary.

### Continuity of service

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing maximum efficiency and keeping the learning curve low. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. We are also flexible in exploring alternative strategies to non-mandatory rotation policies.



In any business, however, turnover is inevitable. If and when it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have a number of qualified staff members to provide the City with quality 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. 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.



# J. Quality Control

# (1) Quality control procedures

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 riskbased 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 CLA'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 CLA 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 in the *Uniform Guidance*.

# (2) Team performing the review

Please see section G for further information on the service team.



# **K. Work Space Requirements**

We request that the City provide access to all records required for the audits and other requirements of the contract. In addition, we request that you assign a "project coordinator" through whom we will communicate and coordinate activities. We do not foresee needing the City's staff other than during normal business hours.

To assist in this process, we will provide a detailed Prepared by Client list early in the engagement. We will ask that your accounting staff provide us with standard schedules, as well as additional requested supporting items. We anticipate that your accounting personnel will need to locate and submit to us certain invoices, vouchers, cancelled checks, and other documents and records. We are extremely flexible as to the format in which we receive this information and to the extent possible will use the latest technology to help minimize the level of effort of your personnel. We will depend on your staff to provide us with as much information as possible, in an effort to limit everyone's time on the engagement and, ultimately, to save the City money.

### Conducting the audit remotely, hybrid, or on site

We expect to have some team members on site and some off site. We've been doing this for a few years and found it an effective way to complete our audit procedures timely and efficiently.

- The majority of the engagement team is located in CLA's Kansas City office, so we would plan to be on site at the City for some of the audit, during mutually agreed upon times.
- Because of the tools we employ and the innovative methods we've adopted, we can complete a significant amount of our work remotely, when necessary.
- Communication continues to be vital when performing an audit, and while we value our relationships, inperson contact may not always be an option. To address this, we employ video conferencing and screen sharing.
- Improvements in technology have enabled new ways of auditing remotely and securely. We encourage clients to use our document portal to upload documents. This allows us to electronically organize documents and streamline work.





# L. Engagement Schedule

Count on clear communication and regular updates.

# Proposed work plan

We have designed a plan that meets your needs and key deadlines. In our planning meeting, we will discuss this timeline with you in greater detail and adjust as appropriate.

Phase and Tasks to be Performed	Time Frame	Key Supervisory Personnel Assigned
<ul> <li>Pre-engagement planning upon award</li> <li>Schedule entrance conference with the City</li> <li>Identify applicable state and federal regulations</li> <li>Organize and initiate audit staff and services</li> <li>Review prior auditor workpapers</li> <li>Review the City's interim financials</li> <li>Prepare list of documents, schedules, etc. for the City to provide</li> </ul>	November - February	<ul><li>Principal</li><li>Director/Manager</li><li>Senior and associates as necessary</li></ul>
<ul> <li>1 and 2 - Interim and preliminary fieldwork, including systems evaluation</li> <li>Conduct entrance conferences with member institutions</li> <li>Perform IT system reviews and testing</li> <li>Conduct interviews with key personnel throughout the City and member institutions</li> <li>Request confirmations</li> <li>Determine the areas required to be tested on-site, including test of controls and compliance testing and begin test work at the City and member institutions</li> <li>Preliminary analytical reviews</li> <li>Assess existing practices, procedures, and systems</li> <li>Verify compliance with state and federal regulations</li> <li>Review results of preliminary work and modify audit programs as needed</li> <li>Perform group audit procedures</li> </ul>	Mid-February – early March	<ul> <li>Principal</li> <li>Director/Manager</li> <li>Senior and associates will be involved to perform test work</li> </ul>



Phase and Tasks to be Performed	Time Frame	Key Supervisory Personnel Assigned	
<ul> <li>Review actuarial reports on employer valuation for issuance of GASB 68 and GASB 75 reports</li> <li>Single Audit major program determination and initial testing</li> </ul>			
<ul> <li>3 - Year-end substantive fieldwork</li> <li>Perform substantive testing over the City and member institutions</li> <li>Complete remaining IT fieldwork at the City and member institutions</li> <li>Review component unit audits</li> <li>Schedule and hold exit conferences with the City and member institutions</li> <li>Perform final analytical reviews</li> <li>Review workpapers, including concurring principal review</li> <li>Single audit testing</li> </ul>	Mid-March – early May	<ul> <li>Principal</li> <li>Director/Manager</li> <li>Senior and associates will be involved to perform test work</li> </ul>	
<ul> <li>4 - Reporting - Financial statements</li> <li>Review the draft of the City's financial statements</li> <li>Prepare draft auditors' reports on financial statements and internal control and submit the City management for review</li> <li>Prepare draft of management letter</li> <li>Meet with the City management to review and discuss drafts</li> <li>Finalize and issue management letter and required communications to those charged with governance</li> </ul>	Mid-April – Mid-May	<ul> <li>Principal</li> <li>Director/Manager</li> <li>Quality control principals</li> </ul>	
<ul> <li>Reporting - Single audit</li> <li>Prepare draft auditors' reports on internal control and compliance required by the Uniform Guidance</li> <li>Meet with the City management to review and discuss drafts</li> <li>Finalize and issue reports required by the Uniform Guidance</li> </ul>	Mid-May – early June	ринирав	

**Reliable:** Look for us to respond in hours, not days. We strive to deliver service that exceeds your expectations.



# M. Compensation

# Having upfront conversations builds relationships.

The value we can provide your organization goes beyond meeting your compliance needs. We can help you discover opportunities to enhance your performance and achieve your strategic goals. Our insights and strategies are tailored to your specific situation and represent a return on your investment.

Please see Section B. Required Forms for our completed cost sheet.

Our fee quote is designed with an understanding that:

- The City personnel will provide documents and information requested in a timely fashion.
- The operations of your organization do not change significantly and do not include any future acquisitions or significant changes in your business operations.
- There are no significant changes to the scope, including no significant changes in auditing, accounting, or reporting requirements.

The 5% technology and client support fee supports our continuous investment in technology and innovation to enhance your experience and protect your data.

### Estimated hours and hourly rates

The table below shows our standard hourly billing rates by classification:

Staff Level	Hours	Discounted Rate	Original Bill Rate
Principal/Signing Director	50	\$200	\$500
Director	100	\$150	\$350
Manager	0	\$150	\$260
Senior	200	\$150	\$225
Associate	400	\$100	\$165



#### Fee for additional services

For any additional work, it is our practice to bill for actual hours incurred at an hourly rate applicable to the professional completing the project at hand. If additional work is requested outside of the scope of the requested services, we will discuss with you our proposed fee for additional services before we begin the project. Any such additional work agreed to between the City and CLA shall be performed at the below rates.

Level	Current Hourly Rate
Principal/Signing Director	\$500
Director	\$350
Manager	\$260
Senior	\$225
Associate	\$165

#### Fee increase

Our fees are based on professional standards and regulations currently in effect and barring any changes in the nature or requirements of the engagement, our annual fees will increase in accordance with the increases in our payroll and overhead costs. In addition, costs could increase due to substantial changes in your office locations, asset size and/or operational structure. If fee increases are expected outside of the ranges provided above, we would discuss with management prior to the completion of the work.

### No surprises

Our clients don't like fee surprises. Neither do we. If changes or complexities occur — or any "out-of-scope" work is required — we'll discuss a revised proposal with you first.

It's not our policy or practice to bill our clients every time we receive a phone call or email. We're invested in our relationships and strongly encourage intentional and frequent communication. Contact us year-round as changes or questions arise.

Our last word on fees: we're committed to serving you and creating a long-standing relationship. If fees are a deciding factor in your selection of a professional services firm, give us a call and let's discuss.

**Transparent:** Clear, authentic communication and market-based fees.



# **Appendix**

Your service team biographies





# Kevin Smith, CPA

CLA (CliftonLarsonAllen LLP)

Principal Kansas City, Missouri 816-704-7248 kevin.smith@CLAconnect.com



#### **Profile**

Kevin joined CLA in October 2025 with over 25 years of experience serving the needs of state and local governmental entities. Kevin's background and qualifications within the public sector industry enable him to assist his clients with operational, financial reporting and compliance matters. He has a solid understanding of government operations and financial reporting standards, as well as experience working with executive management, boards of directors, audit committees, and elected officials. This experience provides him with the skills necessary to consult, assess, and implement practical business solutions for his clients.

Specific government operations and financial reporting experience include state agencies, local municipalities, school districts, public utilities, various transportation authorities, pension and retirement plans, investment pools, and publicly owned hospitality venues (hotels and convention centers).

# Technical experience

- Independent audits of state and local governments
- US Generally Accepted Accounting Principles (GAAP)
- U.S. Generally Accepted Auditing Standards (GAAS)
- Government Auditing Standards (Yellow Book)
- Single Audits performed in accordance with the *Uniform Guidance*

# Education and professional involvement

- Bachelor of arts in accounting from St. Ambrose University, Davenport, Iowa
- Certified Public Accountant
- American Institute of Certified Public Accountants
- Government Finance Officers Association, member and volunteer reviewer

# Civic organizations

 KIPP Endeavor Academy and KIPP Legacy High School, Board member and former Board president





# Adam Pulley, CPA

# **CLA (CliftonLarsonAllen LLP)**

Principal Peoria, Illinois 309-495-8767 adam.pulley@CLAconnect.com



### **Profile**

With more than 18 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 standards.

## Technical experience

- Supervises financial audit engagements and single audits
- Provides technical assistance to personnel during engagements
- Assists governmental entities in preparing financial statements to obtain the GFOA Certificate of Excellence

### Education and professional involvement

- Master of accounting from University of Illinois, Urbana-Champaign, Illinois
- Bachelor of accountancy from University of Illinois, Urbana-Champaign, Illinois
- Illinois CPA Society
- Former Board President of Crittenton Centers, Peoria
- American Institute of Certified Public Accountants
- Illinois Government Finance Officers Association

# Key relevant clients

- St. Louis County, Missouri
- City of Peoria, Illinois
- Illinois Department of Transportation
- City of Havana, Illinois
- City of East Peoria, Illinois
- City of Rock Falls, Illinois
- Village of Morton, Illinois
- Town of Normal, Illinois
- Menard County, Illinois
- Logan County, Illinois
- Tazewell County, Illinois
- Woodford County, Illinois
- Livingston County, Illinois



- Jackson County, Illinois
- Jo Daviess County, Illinois
- Peoria Public Schools
- Village of Tampico, Illinois
- City of Tipton, Iowa
- City of Waverly, Iowa
- Illinois Gaming Board
- Illinois State Toll Highway Authority
- City of Smithville, Missouri
- Arthur Community Unit School District
- Morton Community Unit School District

# Continuing professional education

Adam meets or exceeds his continuing education requirements. He consistently exceeds 80 hours of continuing professional education every two years and 120 hours every three years. Because he works on governmental entities, Adam exceeds his requirements for continuing education required under Government Auditing Standards. Most of his continuing education is directly related to the clients he serves, including federal grant compliance, Governmental Accounting Standards Board updates, financial reporting for government entities and other related educational opportunities.





# Allison Slife, CPA

### **CLA (CliftonLarsonAllen LLP)**

Principal Denver, Colorado

303-439-6018 allison.slife@CLAconnect.com



#### **Profile**

Allison has more than 16 years of auditing experience serving state and local governments. She is well versed and experienced in single audits as most of her clients receive some level of federal funding and is heavily involved with consulting services related to federal grant funding. She has presented on the Uniform Guidance, single audits, and governmental accounting both nationally and locally, including sessions at the Colorado Government Finance Officers Association (CGFOA) annual conference, and other state and local training conferences. Allison is also a national instructor for CLA's governmental group and regular speaker at CGFOA conferences and classes.

## Technical experience

- Governmental audits
- Compliance audits
- Federal grant financial and compliance audits
- Focused on serving regulated industries
- Clients include: Cities and towns, states and state departments, counties, school districts, and various special districts

# Education and professional involvement

- Bachelor of science in accounting and finance from Xavier University, Cincinnati, Ohio
- Certified Public Accountant in the state of Colorado
- American Institute of Certified Public Accountants (AICPA)
- Colorado Society of Certified Public Accountants (COCPA)
- Colorado Government Finance Officers Association (CGFOA)
- Government Finance Officers Association (GFOA)

# Speaking engagements

Allison has presented on the governmental accounting, the Uniform Guidance and Single Audits both nationally and locally, including sessions at the following:

- CGFOA annual conference and CGFOA classes
- Other state and local training conferences
- National instructor for CLA's regulated industry group



### Key relevant clients

- Colorado Intergovernmental Risk Sharing Agency (CIRSA)
- College Assist
- State of Kansas
- Adams County
- Jefferson County
- City of Boulder
- City and County of Denver
- Town of Mountain Village
- Arvada Fire Protection District
- Cherry Creek School District
- Byers School District 32-J
- Rocky Mountain School of Expeditionary Learning
- Hyland Hills Park and Recreation District
- North Metro Task Force
- Colorado Special Districts Property and Liability Pool
- Joint School Districts Workers'
   Compensation Self-Insurance Pool

- Colorado Department of Human Services
- Kansas Department of Transportation
- Pueblo County
- Town of Erie
- Boulder Valley School District and charters
- Poudre School District
- Ridgeview Classical Schools
- Mountain Sage Community School
- Mapleton Public Schools
- Health District of Northern Larimer County
- Interstate Medical Licensure Compact Commission
- Colorado Health and Benefit Trust (CEBT)
- Excess-of-Loss Self-Insurance Pool
- Colorado Firefighter Heart, Cancer and Behavioral Health Benefits Trust





# Connie M. Watson, CPA

**CLA (CliftonLarsonAllen LLP)** 

Director Kansas City, Missouri 816-704-7260 connie.watson@claconnect.com



### **Profile**

Connie has more than 19 years of experience in public accounting dedicated to providing audit, assurance and consulting services to clients in a wide variety of industries, including governmental, nonprofit, financial services, alternative investments and employee benefit plans. Connie joined CLA in May 2025 as a Director in the State and Local Government group to provide audit and assurance services to governmental and nonprofit clients. She manages, plans, and performs her engagements with an astute knowledge of applicable accounting and auditing standards as well as standards required by the federal single audit. She also has experience assisting these types of entities in preparing financial statements and completing other unique reporting requirements. She also has extensive experience as a subject matter expert in matters of independence and conflicts-of-interest.

# Technical experience

- Plan, organize and supervise financial audit and single audit engagements in accordance with applicable auditing standards, such as U.S. Generally Accepted Auditing Standards (GAAS), Government Auditing Standards, and Uniform Guidance
- Financial reporting in accordance with applicable generally accepted accounting principles, such as U.S. Generally Accepted Accounting Principles (GAAP) and Governmental GAAP (GASB)
- Provide technical assistance to personnel during engagements
- Review of financial statements and management letters
- Assist with complex audit areas and single audits
- State and Local Government Audits Connie has served on:
  - State of Kansas ACFR Audit
  - Kansas Department of Transportation ACFR Audit
  - Kansas Service Revolving Fund Audits
    - Kansas Water Pollution Control Fund
    - Kansas Public Water Supply Fund
  - Michigan Educational Choice Center
  - o City of St. Louis, Missouri
  - City of Altamont, Illinois



# Education and professional involvement

- Master of science in accounting and information systems, with a focus in audit and information systems, from University of Kansas, Lawrence, Kansas
- Bachelor of science with a double major in business administration and accounting, with an emphasis in finance, from University of Kansas, Lawrence, Kansas
- American Institute of Certified Public Accountants (AICPA)
- Missouri Society of CPAs (MSCPA)
- Kansas Government Finance Officers Association
- Missouri Government Finance Officers Association
- Government Finance Officers Association (GFOA)
- Association of Government Accountants

### Civic organizations

- Kansas City Chamber of Commerce, Member Kansas City, Missouri
- Gardner Chamber of Commerce, Member Gardner, Kansas

### Continuing professional education

Connie is in full compliance with continuing education requirements established by *Government Auditing Standards* (attends a minimum of 20 hours annually of continuing professional education classes, including a minimum of 8 hours of audit and accounting classes, resulting in 120 hours over the three-year period). Relevant CPE areas include:

- Annual audit and accounting updates
- Government and single audit training
- Nonprofit audit training
- Employee benefit plan audit training





# Andrew Moen, CPA

**CLA (CliftonLarsonAllen LLP)** 

Director Cedar Rapids, IA 319-558-0240 Andrew.moen@claconnect.com



### **Profile**

Andrew is a director at CLA with more than 14 years of experience working with governmental entities including cities, counties and school districts. Much of his time is focused on working directly with clients and preparing financial statements.

## Technical experience

- Assurance
- State and local government

## Education and professional involvement

- Bachelor of arts in accounting from University of Northern Iowa, Cedar Falls, Iowa
- American Institute of Certified Public Accountants
- Certified Public Accountant in the State of Iowa
- Iowa Society of Certified Public Accountants





# **Allison Gorham**

# **CLA (CliftonLarsonAllen LLP)**

Senior Kansas City, Missouri

816-671-8901 Allison.Gorham@claconnect.com



#### **Profile**

Allison has been with CLA for over three years and has been a senior in assurance for various audits in the State and Local Government industry. She is responsible for helping to prepare and in-charge the engagement for the engagement leader.

### Technical experience

- State and Local Government Audits Allison has served on:
  - State of Kansas ACFR Audit
  - State of Kansas Department of Transportation Audit
  - State of Kansas Revolving Funds Audit
  - State of Kansas Single Audit
  - Buchanan County Tourism Board
  - South St. Joseph Industrial Sewer District
  - Buchanan County, Missouri
  - o City of Platte City, Missouri
  - City of Pleasant Hill, Missouri
  - City of Smithville, Missouri
  - The Port Authority of Kansas City

# Education and professional involvement

- Bachelor of Science in accounting and finance from Missouri Western State University, St. Joseph, Missouri
- Master Degree of Science in business administration with a concentration in forensic accounting from Missouri Western State University, St. Joseph, Missouri

#### CLAconnect.com

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