



**RESOLUTION NO. 2018-14**  
**RESOLUTION APPROVING THE CITY OF GENEVA AUDITING SERVICES**  
**AGREEMENT WITH BAKER TILLY VIRCHOW KRAUSE, LLP**

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**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS, as follows:**

**SECTION 1:** That the City Administrator are hereby authorized to execute, on behalf of the City of Geneva, the City of Geneva Auditing Services Agreement, attached hereto and made a part hereof by reference with Baker Tilly Virchow Krause, LLP, is hereby approved.

**SECTION 2:** This Resolution shall become effective from and after its passage as in accordance with law.

**PASSED** by the City Council of the City of Geneva, Kane County, Illinois, this 20<sup>th</sup> day of February, 2018.

**AYES: \_\_ NAYS: \_\_ ABSENT: \_\_ ABSTAINING: \_\_ HOLDING OFFICE: \_\_**

Approved by me this 20th day of February, 2018.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Professional auditing services for  
**City of Geneva and Tri-Com Central  
Dispatch**

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January 15, 2018

**Submitted by:**

Baker Tilly Virchow Krause, LLP  
Jason Coyle, Partner  
tel 630 645 6205  
1301 W. 22<sup>nd</sup> Street, Suite 400  
Oak Brook, IL 60523



Candor. Insight. Results.

## 2. Table of contents

1. TITLE PAGE .....	PRECEDING
2. TABLE OF CONTENTS .....	CURRENT
3. TRANSMITTAL LETTER.....	3
4. DETAILED TECHNICAL PROPOSAL .....	6
FIRM QUALIFICATIONS, EXPERIENCE AND REFERENCES .....	6
PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE.....	24
SPECIFIC AUDIT APPROACH.....	29
5. FEE PROPOSAL .....	45
6. FORMS .....	47
i. PRICING SHEETS .....	47
ii. REFERENCES.....	50
iii. RESUMES .....	51
iv. SAMPLE CAFR .....	61
v. SAMPLE AFR .....	61
vi. OTHER REQUIRED AFFIDAVITS.....	62
APPENDIX A: EXCEPTIONAL CLIENT SERVICE .....	66
APPENDIX B: EXCEPTIONS TO SPECIFICATIONS .....	68



**BAKER TILLY**

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## 3. Transmittal letter



Baker Tilly Virchow Krause, LLP  
1301 W 22nd St, Ste 400  
Oak Brook, IL 60523-3389  
tel 630 990 3131  
fax 630 990 0039  
bakertilly.com

January 15, 2018

Ms. Rita Kruse  
Finance Manager  
City of Geneva  
22 S. First St.  
Geneva, IL 60134

Dear Ms. Kruse:

Baker Tilly Virchow Krause, LLP (Baker Tilly) is pleased to submit this proposal to provide professional audit services for the City of Geneva (the City) and Tri-Com Central Dispatch (Tri-Com), collectively referred to as “the joint requester.” Based on your request for proposals (RFP) and our knowledge of your respective organizations, we believe we are uniquely equipped to address your needs — and exceed your expectations.

### Our understanding of your needs

We understand the joint requester is seeking proposals for financial statement audit services for the fiscal years ending April 30, 2018 through April 30, 2021. We have included information on the specific needs of each entity later in our proposal (pages 41-44). Baker Tilly commits to performing its audits according to the specifications and time table described in the RFP.

This proposal is based on your RFP and informed by our extensive experience serving government entities in the State of Illinois.

### Why choose Baker Tilly?

There are many options when it comes to audit service providers, but Baker Tilly’s value proposition to the joint requester is unique. While the many advantages that distinguish our firm are detailed at length in this proposal, we ask you to remember the following in particular as you weigh your decision:

- > **Expansive governmental expertise.** Baker Tilly recognizes the complexity of this environment. Because we organize our public sector partners and staff along industry lines, our professionals have the specific knowledge, critical skills and experience necessary to serve local governments. With nearly 1,000 government clients nationwide, we have a substantial history of public sector audit and accounting services. Today, our state and local government team includes more than 220 professionals who have experience working with clients throughout the public sector. **Because we understand the unique requirements specific to local governments in Illinois, and this will allow us to provide you with timely, relevant and state-specific advice.**

Ms. Rita Kruse

January 15, 2018

Page 4

- > **A seamless transition.** We are dedicated to making this transition process not only smooth, but beneficial for the City and Tri-Com. You won't need to spend time explaining your business to us, as our staff is already knowledgeable about the special needs and circumstances affecting your operations. We will coordinate the review of predecessor documents and work with management on your timeline to ensure the process is as painless as possible. **According to our most recent client surveys, 97 percent of new clients express high satisfaction with their transition to Baker Tilly.**
- > **Exemplary CAFR and AFR record.** We have an enviable record of Comprehensive Annual Financial Report (CAFR) certificate submissions for our state and local government clients; nearly 40 of our current clients receive this award annually. Your engagement partner, Jason Coyle, is a member of the Government Finance Officers Association (GFOA) Special Review Executive Committee; furthermore, both Jason and your audit quality review partner, Joe Lightcap, serve on the Illinois GFOA Technical Accounting Review Committee. Baker Tilly has 16 GFOA report reviewers on staff — more than any other firm in the country. We also have abundant experience with Annual Financial Reports (AFR). Bottom line: **We know the requirements and best practices for both of these reports, and we will use this knowledge to ensure your submission is of the highest possible quality.**
- > **Large firm resources with local client service.** Structurally, Baker Tilly is the right fit to serve the joint requester. We are large enough to offer the professional resources you need, yet we have a local-firm focus that ensures you receive responsive, personalized attention from our Oak Brook office. Our service team will maintain close communication with you to address problems proactively. **This all translates to a demonstrated ability to meet or beat deadlines and provide quality deliverables.**
- > **Active industry involvement.** Governments are challenged with constant changes in regulations and standards, and one of the best ways to stay current is to get involved. Baker Tilly provides leadership to industry organizations through our involvement as authors, speakers, trainers and promoters of the advancement of government accounting and auditing. On a national level, the firms' public sector practice leader, Heather Acker, is Chair of the AICPA State and Local Government Expert Panel. We are also one of only a few firms in the country to be invited to participate in the GASB Fellowship Program. One of our Baker Tilly managers, Susannah Baney, recently complete a two-year term as part of this program. **Interacting with standard-setters and regulators helps us better understand the requirements for government entities, as well as how to meet them.**
- > **Value beyond the audit.** Because of our significant industry involvement, we are privy to the latest developments and fresh insights in the government sector; we view sharing this knowledge as part of our service to you. As a Baker Tilly client, we will regularly invest time in our relationship (at no additional cost) to educate your staff on emerging industry issues, new accounting standards and tax developments. Complimentary thought leadership for other services include:
  - **Regular newsletters that communicate news and industry updates pertinent to state and local governments**
  - **Email alerts on critical industry developments and decisions**
  - **CPE-eligible webinars**
  - **Workshops and roundtables**

Ms. Rita Kruse

January 15, 2018

Page 5

- > **Municipal electrical utility expertise:** Baker Tilly's specialized energy and utilities team audits more than 600 utilities and energy companies. We are able to meet the unique auditing needs of these entities through the specialized focus of energy and utilities professionals — more than 60 of our public sector professionals specialize in utilities, giving our firm a depth of knowledge in this area that few other firms can offer. **You will see the benefit of this electrical utility expertise in the form of a higher quality audit with greater insight and value for the City.**
- > **Technology and innovation in the audit process.** Baker Tilly is proud to be forward-thinking in our integration of technology into the audit process. A few technology highlights include:
  - A secure website, or “portal”, which allows for an effective and organized means to transfer information from the joint requester to the audit team, including work papers and trial balances. This sets up a trail of information, so next year we know exactly what we need which will avoid missing document requests year-over-year.
  - Data extraction software, which allows for in-depth, yet quick, analysis of large volumes of data. This includes the ability to review client transactions for duplicate vendor payments and other transactions that might require additional audit testing.
  - Global Focus US software that helps us provide the joint requester with a tailored audit approach

**By investing in these tools, we are able to perform faster, more comprehensive audits; strengthen our collaboration; and improve communication.**

Our proposal details Baker Tilly's tailored approach to working with you to accomplish your objectives as well as information we believe will help you make your decision. We have also included testimonials to show how we provide knowledge and experience-based insights that create measurable value for our clients.

This proposal is a firm and irrevocable offer for one hundred twenty (120) days. We thank you for the opportunity to bid and for your consideration. Please reach out to either of us with any questions you may have. You will be valued clients, and we will be your Valued Business Advisor.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP



Jason Coyle, CPA, Partner  
630 645 6205 | jason.coyle@bakertilly.com



Jodi Dobson, CPA, Partner  
608-240-2469 | jodi.dobson@bakertilly.com



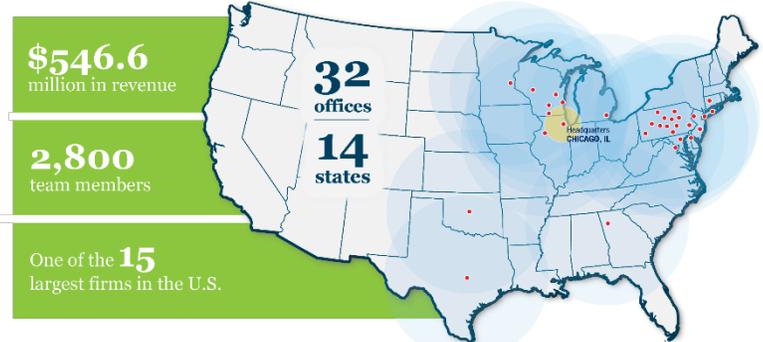
## 4. Detailed technical proposal

### Firm qualifications, experience and references

#### Firm overview

Baker Tilly originated in 1931 with one central objective: to use our expertise to help our clients improve their operations. Originally a Certified Public Accounting firm, we have grown steadily over the years, broadening our service offerings and expanding our geographic presence to meet the evolving needs of our clients. Today, Baker Tilly is a nationally recognized, full-service accounting and advisory firm whose specialized professionals connect with clients through refreshing candor and clear industry insight.

Headquartered in Chicago, Baker Tilly is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 147 countries, with 30,000 professionals. The combined worldwide revenue of independent member firms is \$3.2 billion.



Below are some key facts about Baker Tilly:

- > Provides a wide range of accounting, tax, assurance and consulting services by more than 2,800 total staff members, including approximately 290 partners
- > Ranked among the 15 largest accounting firms in the country
- > Baker Tilly has nearly 300 employees in Illinois

From the start, Baker Tilly has understood that our business demands absolute integrity, a belief in the value of trusted relationships and a willingness to collaborate with — not dictate to — every client. We will build and enhance our relationship with each requester as, together, we work to help you realize your vision.

**Baker Tilly has existed for more than 85 years — and local governments were some of our first clients.**



## 4. Detailed technical proposal

### Public sector specialization

Baker Tilly formalized our public sector specialization more than 50 years ago. We recognized the complexity of this environment and organized the partners and staff into our public sector service group. This industry specialization approach allowed us to provide specialized training and continuing education to our staff, assuring you of an audit team with the necessary knowledge and skills you desire to identify the strength of internal controls and processes, and with the specialization of your industry to identify key indicators that are critical to your government.

This industry-specific approach will ensure the joint requester is working with a team that is truly dedicated to state and local governments, translating into better service and greater value.

Public sector specialists at Baker Tilly are actively, substantially involved in national and state organizations; participate in ongoing continuing education to obtain industry certifications; and speak and author articles on trends in government accounting. This helps our specialists keep abreast of the new developments and trends that impact your industry, and we will share this knowledge with you through newsletters, trainings, industry alerts and by simply answering your questions about government finance as they arise.

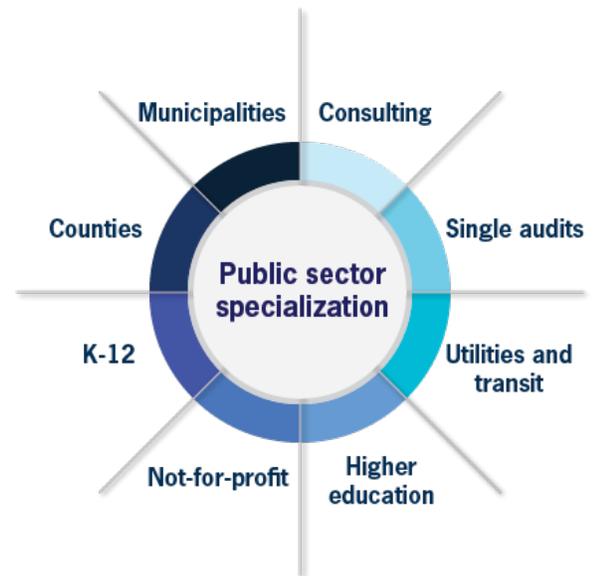
Our devotion to governments is manifested in our public sector practice group, a team of **more than 220 professionals — including 18 partners** — dedicated entirely to serving clients in this space. We understand the issues governments face, providing hundreds of thousands of client service hours annually to nearly 1,000 clients in this industry. **In Illinois alone, we serve more than 190 state and local government clients, including more than 80 municipalities.** Our extensive experience provides us with the specialized knowledge and insight to find effective solutions. References of past government clients similar in scope to the City and Tri-Com have been mentioned in the reference sheet.

**We are one of the few CPA firms with a state and local government group dedicated entirely to serving governmental clients.**



*“We have been clients for a number of years and **our audit teams have always been knowledgeable, dependable and service-oriented.** The audit process here is not a painful process due to their hard work and thorough preparation. Every time I call with a question I’m immediately contacted with an answer. Thank you.”*

*- Finance Director, Illinois village client*





## 4. Detailed technical proposal

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### *Illinois government clients*

**We provide services to nearly 1,000 state and local governments nationwide.** The following list includes a sampling of our state and local government clients from Illinois. We are glad provide contact information for any client on request.

#### **Illinois city clients**

Bloomington  
Chicago  
Countryside  
Galesburg  
Highland Park  
Lake Forest  
Moline  
Prospect Heights  
Urbana  
Waukegan  
Wheaton

#### **Illinois county clients**

Champaign  
DuPage  
Kane  
Lake  
McHenry  
McLean  
Will  
Winnebago

#### **Illinois township clients**

Lyons

#### **Illinois library clients**

Bedford Park  
Highland Park  
Hodgkins  
McCook  
Park Forest  
Schaumburg Township  
Skokie  
Waukegan  
Westmont

#### **Illinois utility clients**

DuPage County Water and Sewerage System  
Glenbard Wastewater Authority  
Illinois Municipal Electric Agency

#### **Illinois village clients**

Broadview  
Buffalo Grove  
Deerfield  
Glenview  
Hodgkins  
Lemont  
Long Grove  
Maywood  
McCook  
Oak Brook  
Orland Park  
Park Forest  
Roselle  
Skokie  
Westmont

#### **Other entities**

Bedford Park District  
DuPage County Health Department  
Forest Preserve District of Cook County  
Greater Peoria Mass Transit District  
Hodgkins Park District  
LaGrange Highlands Sanitary District  
Pace Suburban Bus Service  
Pleasantview Fire Protection District  
Regional Transportation Authority  
Rockford Mass Transit District  
Springfield Mass Transit District  
Thorn Creek Basin Sanitary District

Additionally, the Illinois team serves more than 80 Illinois public schools, including Chicago Public Schools.



## 4. Detailed technical proposal

### Energy and utility credentials

Dedicated entirely to energy and utility service providers, Baker Tilly’s specialized energy and utility team of 60 professionals works with more than 600 public utilities, energy companies and joint action agencies.

The specialized focus of Baker Tilly’s energy and utilities team gives our staff the understanding of the issues your organization faces and gives them the experience to find effective solutions. We draw ideas from our clients that we can share with the City and incorporate into our recommendations, audit procedures and presentations to the City Council.

We understand the unique requirements specific to municipal government utilities in Illinois, and this will allow us to provide you with relevant and state-specific advice.

Our utility services include rate design and studies, including connection and impact fees, long-range financial forecasting, public fire protection studies, financial audits, federal and state single audits, financing assistance and many other specialized services. Count on your energy and utilities team to provide the City with coordinated, responsive services appropriate to your complex operating environment.

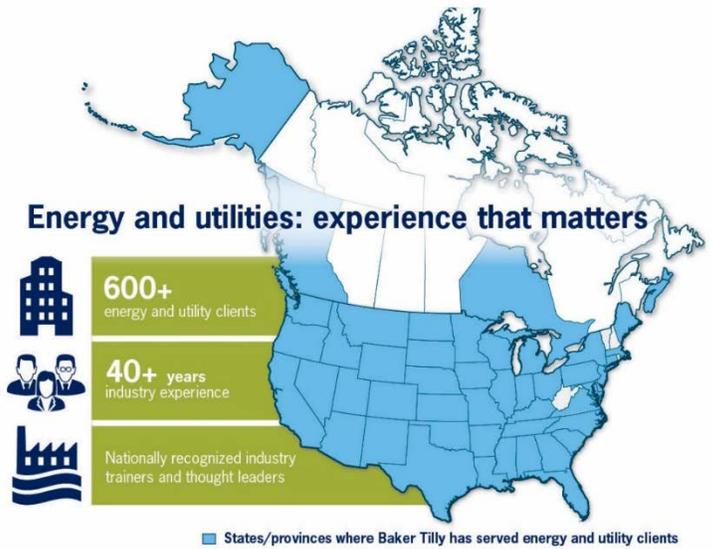
### Office location serving the joint requester

Below is a breakdown by level of **our public sector team in Oak Brook** as well as the team, by staff level, assigned to your engagement. We do not plan to use part-time staff on the joint requester’s engagement. The Oak Brook office is located at 1301 West 22<sup>nd</sup> Street, Suite 400, Oak Brook, Illinois 60523.

Classification	Total	Assigned to both requesters
Partners	3	3*
Directors / Senior managers / Managers	8	2
Senior accountants	9	2
Staff accountants	6	2

Should the need arise, we are able to draw upon our firm’s more than 220 public sector team members located throughout the U.S. to provide solutions that are right for you.

*\*Jodi Dobson, utility partner for this engagement, works from our Madison, WI office.*





## 4. Detailed technical proposal

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### *Quality control, reputation and service record*

#### **Federal or state desk review or field review**

The significant amount of governmental work we perform, and the numerous single audits we perform each year, subjects our work papers and procedures for frequent review by federal regulatory agencies and state departments. There were no significant findings for any such reviews.

#### **No disciplinary action**

Baker Tilly's auditing procedures and working papers are compliant with applicable American Institute of Certified Public Accountants (AICPA), Public Company Accounting Oversight Board (PCAOB), Generally Accepted Government Auditing Standards and Securities and Exchange Commission standards and federal and state laws. In the normal course of business, our work is regularly evaluated through AICPA peer review, PCAOB inspections and other regulatory oversight.

We are pleased to report we have never had disciplinary action taken against us by state accountancy boards, the AICPA, the PCAOB or other agencies.

#### **Pending litigation**

In the normal course of business as a large accounting firm, Baker Tilly may be made a party to litigation alleging various common law and statutory violations. While Baker Tilly expects to resolve all pending matters without any material detrimental impact to the firm, like most accounting firms of any size, the firm does not disclose or discuss its litigation. Litigation is generally disposed of in the normal course of business and under any applicable professional indemnity insurance policy. We enjoy the benefits of a positive reputation.

#### **External quality control review**

Our most recent peer review report was completed in November 2015 and earned a rating of "pass," with no letter of comments. The review included specific government engagements. ***A copy of our 2015 Peer Review is included on the following page.***




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*"Baker Tilly is an extraordinary firm. They make the first year engagement seamless by collaborating as a true partner. Their customer service is exceptional because they put in the time upfront to understand the uniqueness of their client's accounting structure and operations as well as putting in the time to meet client deadlines. Their extensive government practice, including Counties and single audits, creates a dedicated knowledge base and resource. **Baker Tilly consistently exceeds expectations and I highly recommend them.**"*

*- Paul Rafac, DuPage County, IL*



## 4. Detailed technical proposal



**MOSS ADAMS** LLP  
Certified Public Accountants | Business Consultants

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999 Third Avenue, Suite 3300  
Seattle, WA 98104  
T (206) 302-6800 F (206) 652-2098

### SYSTEM REVIEW REPORT

To the Partners of Baker Tilly Virchow Krause, LLP  
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2015. 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 Organization Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Baker Tilly Virchow Krause, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2015, 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*. Baker Tilly Virchow Krause, LLP has received a peer review rating of *pass*.



November 3, 2015





## 4. Detailed technical proposal

### Single audit experience

Since the passage of the Single Audit Act of 1984, Baker Tilly has recognized the importance of becoming specialists in this highly complex area. Our firm currently performs more than 500 single audits each year, ranking Baker Tilly in the top three, nationally, based on number of audits conducted by CPA firms.

To stay on top of the changing requirements, our firm serves on various AICPA committees studying financial and single audit issues. We have been selected as speakers for nationally sponsored training courses, and we actively participate in industry events. Our depth of experience with single audits places us in a unique position to perform the single audit for the joint requester.

Our firm is also asked to review and comment on various single audit documents created by the AICPA and OMB prior to their issuance. Below is a list of documents where we have provided contributions:

Baker Tilly conducts **more than 500** single audits each year, ranking us in the **top three**, nationally, based on number of audits conducted by CPA firms.

Document	Years	Organizations
AICPA Audit Guide — GAS and Single Audits	2005–2016	AICPA
AICPA Audit Risk Alert — GAS and Single Audits	2006–2015	AICPA
OMB Compliance Supplement	2008–2017	OMB

### AICPA study on single audit quality

The AICPA recently released results of a study on single audit quality. The study showed three factors that directly correlate to the quality of the audit engagements:

- > **Size of the firm's single audit practice**
  - Baker Tilly has approximately 400 professionals performing single audits
- > **Membership in the Government Audit Quality Center (GAQC)**
  - Baker Tilly has been a member since the Center's inception and has also served multiple terms on the Executive Committee of the GAQC
- > **Qualifications of the engagement partner**
  - Jason Coyle, partner on your engagement team leads more than 15 single audit engagements annually



## 4. Detailed technical proposal

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### Single audit clients

We perform more than 500 single audits each year for our public sector clients. A small sampling of these clients, including:

- > Village of Skokie
- > Village of Park Forest
- > City of Chicago
- > City of Moline
- > City of Galesburg
- > City of Highland Park
- > City of Lake Forest
- > City of Urbana
- > DuPage County
- > Lake County
- > McHenry County
- > Will County
- > Kane County

### Uniform Guidance Resource Center

Baker Tilly's Uniform Guidance Resource Center is an online resource library for our clients who need information on implementing the changes resulting from Uniform Guidance. This resource library includes links to both government- and Baker Tilly-authored articles, webinars and more.



The following is a sampling of articles and other resources included on our [Uniform Guidance Resource Center](#):

- > Single audit: Understanding auditee and auditor roles
- > Uniform Guidance: Top 10 considerations for your next single audit
- > Understanding the changes to OMB Uniform Guidance related to subrecipient monitoring
- > COFAR issues updated Uniform Guidance FAQs
- > Indirect cost changes under OMB Uniform Guidance
- > New time and effort reporting requirements under OMB Uniform Guidance
- > Understanding procurement changes to OMB Uniform Guidance
- > OMB issues grant reform rules
- > OMB grant reform: An overview of the recent changes and tips to help ensure your compliance
- > OMB Uniform Grant Guidance: Developing a successful implementation plan
- > OMB Grant Reform: An overview of the recent changes and tips to help you ensure compliance
- > Single audit: Understanding auditee and auditor roles
- > Uniform Guidance: What has changed and how it will impact your single audit

Please visit [bakertilly.com/uniformguidance](https://bakertilly.com/uniformguidance) to learn more.



## 4. Detailed technical proposal

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### *GFOA Certificate of Achievement program reviewers*

The City requires a firm whose clients excel in receiving the Certificate of Achievement from the GFOA. Baker Tilly is that firm. We continue to be heavily involved with the GFOA award for excellence in financial reporting by volunteering staff time to serve as report reviewers for the GFOA. In fact, **we have more reviewers than any other firm in the nation**. We will be responsible for the final technical review of your Comprehensive Annual Financial Report (CAFR).

Below is a list of current Baker Tilly GFOA report reviewers. **Highlighted reviewers indicate they are members of the proposed engagement team.**

Baker Tilly GFOA reviewers	
Amanda Blomberg, Firm Director	John Rader, Firm Director
Carla Gogin, Partner	<b>Joseph Lightcap, Partner</b>
Cheryl Puhl, Senior Manager	Kim Shult, Partner
Heather Acker, Partner	Michael Malatt, Senior Manager
<b>Jason Coyle, Partner</b>	Paul Frantz, Senior Manager
<b>Jodi Dobson, Partner</b>	Steve Henke, Senior Manager
John Compton, Jr., Partner	Vicki Hellenbrand, Partner
John Knepel, Partner	Wendi Unger, Partner



## 4. Detailed technical proposal

### Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR)

The following Illinois government clients received the GFOA Certificate of Achievement during the years that Baker Tilly conducted their audit. This list is testament to the quality of the financial audits performed by our firm.



#### GFOA CAFR recipients

Counties	Cities	Villages	Other entities
Champaign*	Bloomington	Buffalo Grove	Forest Preserve District of Cook County
DuPage	Countryside	Lemont	Greater Rockford Airport Authority
Kane	Galesburg	Oak Brook	Joliet Junior College
McHenry	Highland Park	Orland Park	Lake County Forest Preserve District*
McLean	Lake Forest	Park Forest	Pace Suburban Bus Service
Will	Moline	Roselle	Thorn Creek Basin Sanitary District
	Prospect Heights	Skokie	
	Urbana	Westmont	
	Wheaton		
	Bloomington		

\*Auditing began for this organization in its most recent fiscal year. The organization has received the GFOA Certificate of Achievement for several consecutive years and it is anticipated that their most recent CAFR will receive this award as well.



## 4. Detailed technical proposal

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### *Value beyond the audit*

**Baker Tilly’s position of leadership, significant involvement in the accounting profession, and deep industry and service specialization translates into knowledge we share with our clients.** The value of our service is based upon your assessments and expectations. Therefore, going beyond the audit — beyond the necessary reports and opinions — to educate your staff and support your operations is the foundation of the relationship we would like to build with you. This value includes preparing your organization for changes in accounting standards and industry trends through formal email communications, webinars, hands-on training and other channels.

Complimentary educational opportunities include:

- > **Regular webinars** on topics such as fraud, understanding financial reports, new GASB reporting standards, grant-related topics and cost reduction and revenue maximization. These webinars are free to our clients and qualify for CPE. Webinar recordings are available on our website and can be viewed at any time. Recent webinar topics have included:
  - Understanding utility finances
  - Fringe benefit taxation for governments
  - Best practices for assessing and selecting an enterprise resource planning system
  - GASB 72: Fair value measurement and application
- > Web-based **resource libraries**, including our *Board Governance Resource Center* and our *Uniform Guidance Resource Center*, are available to Baker Tilly clients and feature educational materials on topics important to governments.
- > Our **quarterly newsletter**, *Government Connection*, which features guidance on industry, regulatory and resource optimization issues.
- > **Timely alerts** on laws, regulations, or decisions with an immediate or near-future impact on our transit and state and local government clients.

Perhaps most importantly, **Baker Tilly personnel will be available throughout the year to field questions and offer meaningful, timely and realistic guidance on your fiscal and operational challenges.** Over the years, we have provided guidance to local government clients on complex accounting and financial report issues. We welcome your phone calls and emails — you can feel comfortable reaching out to us at any time.



## 4. Detailed technical proposal

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### *Industry involvement fosters knowledge we share with you*

To help you respond to and prepare for change, we are actively involved in local and national associations, keeping us on the leading edge of what is happening in our industry. Our memberships in the following organizations and our involvement as authors, speakers, trainers and promoters of governmental accounting and auditing help us actively assist you with the implementation of new regulations or the adoption of new standards. Because of this active involvement, we are able to provide the joint requester with timely and relevant industry information. It also allows for us to be a sound resource to the joint requester as complex or routine accounting and auditing issues arise.

- > American Institute of Certified Public Accountants
- > Association of Certified Fraud Examiners
- > Association of Government Accountants
- > Government Finance Officers Association
- > Illinois CPA Society
- > Illinois Government Finance Officers Association
- > Illinois Municipal Treasurers Association
- > Other regional and national organizations

Baker Tilly doesn't just belong to these organizations. We are active members who serve on committees, including leadership roles and support the organizations with our time and funds. Partner Jason Coyle is a member of the GFOA Special Review Executive Committee and partners Jason Coyle and Joe Lightcap are members of the IGOA Technical Accounting Review Committee. In addition, Public Sector Practice Leader Heather Acker is currently chair of the AICPA State and Local Government Expert Panel.

### *Preparedness to implement new GASB requirements*

To keep our clients up-to-date on the latest government accounting issues, Baker Tilly provides leadership to industry organizations through our involvement as authors, speakers, trainers and promoters of the advancement of government accounting and auditing.

Among our commitments, Susannah Baney, manager on the joint requester's audit, has served as a fellow in the GASB Practice Fellow Program. Susannah was selected by GASB for this two-year program. Her responsibilities included direct participation in the standard-setting process as a project manager focused on studying topics on GASB's technical agenda, researching practical implementation issues, contributing to the drafting of standards and following up on implementation complexities post-issuance. This relationship provides a conduit for communication between Baker Tilly clients and GASB staff.

**Baker Tilly's state and local government auditors are prepared to assist the joint requester with learning and implementing the GASB standards listed beginning on the next page.**



## 4. Detailed technical proposal

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### **Postemployment benefits other than pensions: GASB Nos. 74 and 75**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The new OPEB standards parallel the pension standards GASB Nos. 67 and 68. Together, the pension and OPEB standards provide consistent and comprehensive guidance for all postemployment benefits.

GASB Statement No. 74 is effective for financial reporting periods beginning after June 15, 2016 (or June 30, 2017 year ends). GASB Statement No. 75 is effective for financial reporting periods beginning after June 15, 2017 (or June 30, 2018 year ends).

### **Fiduciary activities: GASB No. 84**

The objective of this statement is to improve guidance on identification and accounting for fiduciary activities. It establishes criteria for the activities that qualify as fiduciary, including pension and OPEB trust funds, investment trust funds, private-purpose trust funds and custodial funds. Every government will need to evaluate the reporting changes of existing fiduciary funds and determine if any fund reclassifications or presentation changes will be necessary. The standard also requires a new statement of changes in fiduciary net position as a part of the basic financial statements.

GASB Statement No. 84 is effective for financial reporting periods beginning after December 15, 2018 (or December 31, 2019 year ends).

### **Leases: GASB No. 87**

This statement modifies the accounting treatment for government leases. It requires the recognition of certain lease assets and liabilities that were previously classified as operating. It includes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 87 is effective for financial reporting periods beginning after December 15, 2019 (or December 31, 2020 year ends).

### **Exposure drafts outstanding**

In addition to these recently issued GASB Statements, a number of GASB exposure drafts outstanding are expected to have a significant impact on current reporting practices. Baker Tilly follows these closely and often prepares comment letters to GASB on behalf of our clients to raise items of potential concern prior to the standards being finalized.



## 4. Detailed technical proposal

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### *Significant influence in the accounting profession*

Baker Tilly professionals are among the most influential in the accounting and advisory industry, with Baker Tilly thought leaders directly involved with issues shaping our industry.

### **Involvement in AICPA committees and initiatives important to governments**

To help you respond to and prepare for change, Baker Tilly professionals are actively involved in various AICPA committees and initiatives. This involvement keeps us on the leading edge of what is happening in our industry. Below are a few of the AICPA boards and committees we are involved in that are relevant to the joint requester.

Initiative	Purpose	Dates
<b>Governmental Audit Quality Center (GAQC)</b>	Promotes the importance of quality governmental audits, serves as a resource to member firms, provides members with online tools for sharing ideas and recognizes CPA firms that demonstrate a commitment to governmental audit quality	Since its inception
<b>GAQC Executive Committee</b>	Governs the GAQC, develops the policies of the GAQC and oversees GAQC activities; also meets twice annually in conjunction with the Single Audit Roundtable (SART), which includes federal inspectors general, federal agencies and CPA firms	2012 – 2015
<b>Technical Issues Committee (TIC)</b>	A committee of CPA practitioner volunteers who represent the views of local firms and small-to medium-size governments in the standards setting process	2013 – present



## 4. Detailed technical proposal

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Initiative	Purpose	Dates
<b>State and Local Government Expert Panel</b>	Serves the needs of AICPA members regarding financial and business reporting and audit and attest matters; protects the public interest by bringing together knowledgeable parties in the state and local government industry to deliberate and come to agreement on key state and local government issues	2012–present
<b>Auditing Standards Board (ASB)</b>	The AICPA's senior committee for auditing, attestation and quality control applicable to the performance and issuance of audit and attestation reports for non-issuers	2015–present 2010–2013
<b>Peer Review Oversight Reviewer – Single Audits</b>	Monitor the quality of peer reviews performed on OMB single audits	2014–present
<b>Peer Review Board</b>	The AICPA's Peer Review Board promulgates the peer review standards and oversees the administration of the peer review program.	2017–present
<b>National Peer Review Committee (NPRC)</b>	The NPRC is the administering entity for all firms that are required to be registered and inspected by the PCAOB or for firms that perform work under PCAOB standards.	2011–present



## 4. Detailed technical proposal

### *Team members in demand by professional organizations*

Our devotion to the government is illustrated by our commitment to inform and instruct our clients about important governmental issues. Annually, we speak at numerous accounting, financial and management seminars and workshops in Wisconsin and throughout the nation.

Our commitment to the industry is evident in our contributions as thought leaders to national organizations. The following sections highlight recent examples that may be of interest to the joint requester:

#### **Relevant industry contributions**

Resource	Years
AICPA State and Local Government Audit and Accounting Guide	2005–2008 and 2010–2016
AICPA Government Audit Standards and Single Audit Guide (formerly AICPA Government Auditing Standards and Circular A-133 Audit Guide)	2005–2009 and 2011–2015
AICPA State and Local Governmental Audit Risk Alert	2005–2015
AICPA GAS and Single Audit Risk Alert	2012–2015
GASB Implementation Guide	2003

#### **National conference speaking engagements or webcasts (2014–2017)**

Event type	Session topic
2017 AICPA Governmental Accounting & Auditing Update Conference	Recent GASB Implementation Guidance
2017 AICPA Governmental Accounting & Auditing Update Conference	Top 10 issues auditors should focus on – GASB
2017 AICPA Governmental & Not-for-Profit Training Program	Tax Abatements – GASB Statement No. 77



## 4. Detailed technical proposal

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Event type	Session topic
2017 AICPA Governmental & Not-for-Profit Training Program	GASB Update
2017 AICPA Governmental & Not-for-Profit Training Program	Understanding and using the GASB Comprehensive Implementation Guide
2016 GFOA National Conference	Something for Everyone; Adjusting to the OMB's "Super Circular"
2016 GFOA National Conference	Getting Out Front: Stopping Fraud Before It Starts
2016 AICPA Government Audit Quality Center Web Event	2016 State and Local Government Audit Planning Considerations
2015 AICPA Governmental and Not-for Profit Conference	Government Combinations
2015 AICPA Governmental and Not-for-Profit Conference	Common Governmental Accounting and Auditing Deficiencies
2015 AICPA Governmental and Not-for-Profit Conference	Uniform Grant Guidance Cost Principles and Administrative Requirements
2015 AICPA Governmental and Not-for-Profit Conference	Demystifying Audited Financial Statements in Communications to Governing Bodies
2015 AICPA Governmental and Not-for-Profit Conference	Advanced Single Audit Issues
2015 American Public Works Association (APWA) International Congress & Exposition	TU15 – Fueling the Conversation
2015 AICPA Government Accounting and Auditing Conference	Auditing Requirements of the New OMB Uniform Guidance
2015 AICPA Government Accounting and Auditing Conference	Single Audit Fundamentals



## 4. Detailed technical proposal

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Event type	Session topic
2015 AICPA GAQC annual webcast	Government Audit Quality Center Annual Update
2015 GFOA Annual Conference	Getting it Right: Implementing the OMB's New "Super Circular"
2015 AICPA webcast	AICPA Compliance Supplement and Single Audit Update
2015 AICPA Government Audit Quality Center (webcast)	Audit Quality Discussion Part 1: Avoiding Common Audit Deficiencies in State and Local Government Financial Statement Audits
2015 AICPA National Governmental Accounting and Auditing Update Conference	Best Practices in Implementing Group Audits; Group Audits Clarified SAS – Putting it All Together and More
2015 AICPA National Governmental Accounting and Auditing Update Conference	The Challenges of Auditing State and Local Governments in Such an Uncertain Environment



## 4. Detailed technical proposal

### Partner, supervisory and staff qualifications and experience

We understand that the joint requester wants to work with experienced industry specialists — professionals who understand your needs, are proactive and creative in identifying issues, and are flexible in providing solutions. You want Valued Business Advisors who work side by side with you to ensure you receive the most responsive service possible.

Each member of your engagement team is deeply committed to providing the joint requester with Exceptional Client Service.

Team member	Name/Title	Role
	<b>Jason Coyle, CPA</b> Partner	<b>Lead audit partner:</b> Jason will serve as the main engagement partner for the joint requester. He will oversee the entire engagement process to ensure that every step and project is well planned and implemented, and that the final deliverables are technically accurate and contain meaningful insights and recommendations. He will lead the development of our Client Service Plan through which we will develop expectations and a timeline with you, execute the services as agreed upon and ensure a high level of satisfaction.
	<b>Joe Lightcap, CPA</b> Partner	<b>Audit quality reviewer:</b> Joe will perform an independent partner quality review and provide ongoing technical assistance to the audit team and the joint requester.
	<b>Jodi Dobson, CPA</b> Partner	<b>Utility partner:</b> Jodi will be the lead partner for the utility component of the City's audit. Similar to Jason, she will oversee the entire engagement process to ensure that the project is well planned and implemented, and the final deliverables are technically accurate and contain meaningful insights and recommendations.



## 4. Detailed technical proposal

Team member	Name/Title	Role
	<b>Susannah Baney, CPA</b> Manager	<b>Audit manager:</b> Susannah will serve as primary client contact and oversee all aspects of the audit, including audit planning, fieldwork and reporting. She will be responsible for project scheduling and coordination of staff and senior resources. Susannah will review deliverables, evaluate internal control structure and deliver Exceptional Client Service.
	<b>Jeffrey Stanek, CPA</b> Manager	<b>Utility manager:</b> Jeffrey will assist in the coordination of City's utility audit and be responsible for project management and communication between Baker Tilly and the City. This will allow for seamless communication during the audit.

The people we have chosen to serve you are experienced personnel who routinely deal with complex client situations in the government environment. They have the knowledge and professionalism to work with each requester's office staff in a responsive and constructive manner. As a team, they will conduct a highly coordinated, efficient and cost-effective audit of each requester.

All members of your engagement team are licensed to practice as certified public accountants in the State of Illinois. To learn more about the qualifications, experience, training and professional memberships of each team member, please consult the resumes on page 51.



*"The team's expertise and availability were key to our success. Thanks for a great project!"*

*- Testimonial from an Illinois village client*



## 4. Detailed technical proposal

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### *Continuing Professional Education (CPE) training*

In accordance with industry regulations, Baker Tilly requires professional staff to obtain a minimum of 120 CPE credits every three years, with no fewer than 20 credits in any given year. Additionally, our state and local government audit team follows the professional education requirements of Government Auditing Standards which requires 24 governmental CPE credits every two years.

Our state and local government auditors attend courses in the accounting and auditing areas most important to our state and local government clients, including single audits. A sampling of recent courses attended by our team includes:

- > Accounting and auditing updates
- > Accounting and auditing single audit updates
- > Advanced public utility accounting
- > ASL inspector training
- > Assurance risk
- > An inside look at service contract act
- > Common fraud schemes in government
- > Cybersecurity: It's not just for businesses
- > Employee benefit plan training
- > Energy and utilities training sessions, such as rate study training
- > Enterprise risk management
- > Financial statement training
- > Numerous GASB training sessions
- > Higher education college/university annual training
- > HIPAA privacy and security for professional service providers
- > Information technology risk assessment concepts for financial audit
- > IT risk assessment standards (RAS) training for auditors
- > Municipal update
- > Not-for-profit training
- > OMB Uniform Grant Guidance training
- > Pay or play and beyond: Complying with the new healthcare reform rules
- > Risk assessment and advanced auditing
- > School interim update and technical audit skills
- > Tax incremental financing
- > Understanding other postemployment benefits (OPEB)
- > Utility University

Additionally, our professionals regularly attend and present at workshops and conferences hosted by professional associations like the AICPA and GFOA. Information on the continuing education of each member of your engagement team can be found in the resumes beginning on page 51.



## 4. Detailed technical proposal

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### Staff continuity

We keep turnover low — and engagement teams intact — by striving to be an employer of choice for talented, committed individuals. In fact, Baker Tilly was recognized as one of the best places to work in several of our offices and nationally.

Our low turnover rate means we can offer a team that is likely to serve you for many years. Our clients appreciate the fact that they get to know the Baker Tilly employees they work with year after year and that they do not have to educate new personnel constantly. Our high level of continuity translates into people who really understand the intricacies of your organization, meaning they are in a position to offer opinions, advice and insight that are more meaningful to the joint requester. If an employee on your engagement team leaves Baker Tilly, the size of our practice allows us to quickly deploy a replacement with a comparable level of industry and service line experience, thereby minimizing any disruption to your engagement.

We attract some of the best and brightest professionals from top colleges and universities, industry, and national accounting firms because of our unique corporate culture. They come to Baker Tilly to work in an environment that emphasizes the importance of relationships and a Valued Business Advisor approach.

Our firm invests significantly in our employees because we know fulfilled employees lead to satisfied clients. To attract and retain our employees, we promote an organizational culture that encourages creativity, continuous learning, respect, employee appreciation and — above all — a positive attitude.




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*“We are very blessed to have access to professionals of your caliber. I greatly appreciate the expertise you share with us, and the nature of the conversation you foster. I think the more comfortable we become with one another, the more beneficial this will grow to be.”*

*- Joe Oznick, CFO, Kane County*



## 4. Detailed technical proposal

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### *Auditor responsibility*

In the required reports on internal control, we will communicate any control deficiencies found during the audit. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

At the conclusion of each audit, we will prepare a written report to those charged with governance that covers the following:

- > Auditor's responsibility under GAAS, *Government Auditing Standards*, and the single audit, if required
- > Significant accounting policies, including any changes to them
- > Management judgments and accounting estimates
- > Significant audit adjustments
- > Other information in documents containing audited financial statements
- > Disagreements with management
- > Management consultations with other accountants
- > Major issues discussed with management prior to retention
- > Difficulties encountered in performing the audit

### *Independence*

Baker Tilly and our partners and staff are independent with respect to the joint requester as defined by generally accepted auditing standards and the U.S. General Accountability Office's (GAO's) *Government Auditing Standards*, and we will maintain an independent attitude and appearance through the full term of the engagement.

Formal independence guidelines are contained in our Employee Handbook based upon rules and regulations established by the Comptroller General of the United States and the AICPA.

We have no knowledge of any business, investment or family relationships with the joint requester, their agencies, officials, department heads or other employees and personnel of our firm that would impair our independence.

### *License to practice in Illinois*

Baker Tilly is licensed and in good standing with the State of Illinois. Additionally, all partners and managers assigned to the joint requester's audit team are licensed and in good standing with the State of Illinois.



## 4. Detailed technical proposal

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### Specific audit approach

Our audit will be made in accordance with generally accepted auditing standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA); the AICPA audit guide, Audits of State and Local Governmental Units; *Government Auditing Standards* issued by the U.S. Government Accountability Office (GAO) and the Comptroller General of the U.S.; and OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

The primary purpose of the audit is to express an opinion on the financial statements of the entities subject to audit. Such an audit is subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered that lead to the belief that material errors, defalcations or other irregularities may exist, or if any other circumstances are encountered that require extended services, Baker Tilly will promptly advise an appropriate level of management.

We will provide assistance for GASB standards implementation and other accounting questions over the contract period. Routine phone calls and questions are included in our audit services. We encourage you to call us with questions when they come up.

### *Audit plan methodology*

We use integrity, objectivity, competence and due care to provide high-quality audit, accounting and advisory services to our clients.

### Our objectives

- > Provide Exceptional Client Service from a consistent team of individuals on a year-to-year basis
- > Construct audit programs to streamline year-end procedures and improve value
- > Issue audited financial statements within a timeframe that meets or exceeds management's expectations
- > Utilize Baker Tilly resources to present a meaningful management letter
- > Inform you of current and anticipated changes in professional standards that could affect you
- > Provide services on a timely and cost-effective basis

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmations as deemed necessary. We will request written representations from your legal counsel as part of the engagement. At the conclusion of our audit, we will also request certain written representations from management about the financial statements and related matters.

When we perform an audit, we develop a thorough understanding of your activities, operating systems, personnel and special needs, using this information to plan a complete, but efficient audit. **Areas that require more attention are identified, and unnecessary or redundant procedures are eliminated.**



## 4. Detailed technical proposal

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### *Audit approach*

Our audits are divided into four main phases: planning, interim audit work, year-end audit work and reporting. A description of each of the areas follows.



**Planning:** This phase will commence with a joint meeting or phone conference between Baker Tilly and the requester. This meeting is important to ensure a coordinated audit and will cover our preliminary plan for conducting the audit to meet the requester’s timing requirements and reporting issues.

**Interim audit work:** During this phase, we will document your systems and perform tests of controls or walk-throughs to evaluate their effectiveness. We will also obtain or update certain documents for our permanent files. Confirmation requests will be selected and we will work with the requester’s personnel to determine the timing of the final audit fieldwork. We will also perform the risk assessments required to determine our audit approach and needed audit procedures. At the conclusion of interim work, we will provide the requester with a list of items needed for the year-end work and meet with management to provide a status update.

**Year-end audit work:** This phase will occur when the requester’s accounting personnel has prepared a trial balance of its year-end general ledger accounts and completed the working papers agreed upon during planning. This phase includes substantive audit procedures that involve obtaining or examining evidence to verify the propriety of such balances. Throughout audit fieldwork, we will meet with members of the management team to discuss the results of the audit.

**Reporting:** The final phase involves the independent partner quality control review of your financial statements and completion of the report on internal control and other required reports. We will conclude with presenting findings to those charged with governance. We will adhere to the report timelines you have outlined in your request for proposals as well as the printing and copying requirements stated.

We understand the critical details embedded in your financial statements and will focus considerable time and energy on these risk areas, while paying additional attention to items of the most concern to you.



## 4. Detailed technical proposal

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### **Our techniques include:**

- > Identifying key risk areas, allowing us to properly concentrate our efforts
- > Designing predictive tests that define our financial expectations prior to starting fieldwork
- > Leveraging specific knowledge of municipalities and special government entities to create tests for your operations
- > Deploying an experienced team to maximize our knowledge of the requester

You can expect to receive a quality financial audit without unnecessary procedures or work papers. Before completing internal planning, we will discuss our approach with you and modify our plans, as appropriate.



## 4. Detailed technical proposal

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### *A. Proposed segmentation of the engagement*

We have a proven audit approach that will be tailored to each requester and includes nine to ten work segments of the audit.

#### **1. Engagement planning and administration**

- > Prepare client information forms, obtain signed engagement letters and complete company independence procedures
- > Review previous audit reports and internal control reports
- > Prepare memorandum regarding overall operations for permanent file records
- > Complete staffing and scheduling summary
- > Hold planning conference with engagement partner and in-charge auditors
- > Hold planning and progress conferences with the requester, as needed
- > Obtain all documents and information required for permanent file
- > Read minutes of the Board/City Council meetings
- > Perform various testing of compliance with laws and regulations
- > Develop and approve audit programs
- > Accumulate points to be included in management letter and draft letter
- > Review working papers for completeness
- > Undergo partner-level working paper reviews
- > Hold exit conference with key personnel
- > Make presentation to the those charged with governance
- > Make presentation to the Board/City Council

#### **2. Risk assessment and internal controls**

- > Perform entity-wide risk assessment procedures
- > Conduct fraud interviews
- > Determine major transaction cycles
- > Perform evaluations of internal controls over major transaction cycles
- > Complete information technology risk assessment
- > Test internal controls as applicable
- > Determine reliance on internal controls and resulting substantive audit procedures

#### **3. Cash and investments**

- > Review ledger account entries and compare cash account balances
- > Confirm year-end cash and investment balances with depositories
- > Obtain bank reconciliations and substantiate reconciling items
- > Substantiate cash cut-offs and interbank transfers
- > Test investment transactions and interest earned
- > Test market values of applicable investments
- > Audit financial statement disclosures



## 4. Detailed technical proposal

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### 4. Revenue

- > Compare revenues to prior-year actual, current budget or other expectations
- > Analyze accounts with significant variations
- > Confirm or otherwise validate accounts receivable and taxes receivable
- > Confirm and reconcile state aids
- > Reconcile other revenues to claims and invoices filed
- > Perform a search for unrecorded receivables
- > Review functional classifications of revenues for government-wide financial statements
- > Test capital contributions
- > Analyze allowances for uncollectibles

### 5. Expenditures

- > Compare expenditures to prior years, budgeted amounts or other expectations
- > Analyze accounts with significant variations
- > Review accounts payable listings, determine proper cut-offs and test for unrecorded liabilities
- > Validate prepaid items
- > Verify vested compensated absence liabilities
- > Test insurance-related accruals or IBNRs
- > Determine appropriateness of other liability accounts, including accrued payrolls and related withholdings, retainages and other liabilities
- > Test pension information and disclosures
- > Test other post-employment liabilities

### 6. Property

- > Obtain capitalization policy for capital assets and infrastructure
- > Obtain summary schedules of general capital assets and infrastructure, including additions, retirements and accumulated depreciation
- > Test general capital assets and infrastructure additions and deletions
- > Test general capital assets and infrastructure depreciation/amortization calculations

### 7. Inventories

- > Observe physical inventories, if material
- > Test pricing, quantities and extensions of final inventories

### 8. Financing/equity

- > Verify bond and note balances owed
- > Obtain information on new issues, if any
- > Trace transactions to general ledger
- > Re-compute interest expense
- > Determine nature and appropriateness of net position and fund balance categories



## 4. Detailed technical proposal

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### 9. Financial reporting

- > Ascertain that all items of audit significance contained in the minutes have been considered and cross-referenced to the work papers
- > Obtain a working trial balance
- > Propose adjusting entries and obtain adjusted trial balance
- > Draft the financial statements
- > Perform subsequent events review to date of completion of fieldwork
- > Obtain management and attorney representation letters
- > Finalize required reports

### 10. Single audit, if needed

- > Obtain schedule of federal awards and review for accuracy and completeness
- > Obtain summary schedule of prior audit findings
- > Determine major federal grant programs
- > Review compliance requirements for major federal grants
- > Test the requester's internal control over compliance requirements that could have a direct and material effect on major programs
- > Test compliance with laws and regulations governing the requester's major federal grants
- > Draft required single audit reports
- > Draft schedule of findings and questioned costs
- > Obtain responses to findings and the corrective action plan from the requester, if needed
- > Prepare and submit Data Collection Form and file electronically after review

### ***B. Level of staff and number of hours to be assigned to each proposed segment of the engagement***

Please find staff hours by audit segment for each requester on pages 41-44.



## 4. Detailed technical proposal

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### *C. Sample sizes and the extent to which statistical sampling is to be used in the engagement*

We may plan to use audit sampling throughout phases of our audit because we believe this allows us to perform an audit that is more cost beneficial to our clients. We have identified the following audit sampling tests that may be used on the joint requester's audits. They include:

- > Substantive tests of details of balance sheet accounts
- > Tests of controls
- > Tests of compliance with laws and regulations

After we have reviewed and evaluated the requester's internal controls, we will make decisions on the internal control procedures we intend to test. We will set parameters regarding the expected error rate, audit risk and tolerable error rate in order to determine the sample size we will generate. We may perform these procedures in the following areas:

- > Cash receipts
- > Cash disbursements
- > Payroll
- > Journal entries

We also plan to use audit sampling to perform substantive tests of certain balance sheet accounts, including accounts receivable and recorded vouchers payable. Our firm has customized statistical sampling tools that are in full compliance with all professional standards.

We expect to use the following sample ranges; however, these may increase or decrease based on the results of our understanding of the joint requester's internal controls:

Tests of controls	Sample ranges
Cash disbursements/expenditures	20–80 documents
Payroll	20–80 documents



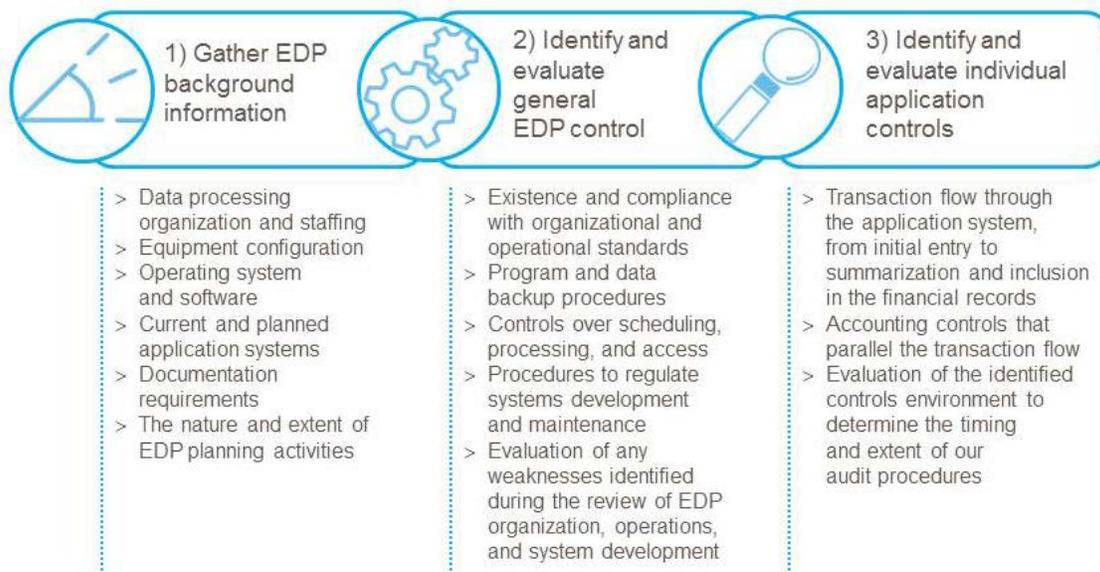
## 4. Detailed technical proposal

### *D. Extent of use of financial software in the engagement*

Our approach to computer auditing encompasses two distinct activities: the system review and computer-assisted audit procedures.

The first activity represents the basis for our evaluation of internal controls in a computer environment. Our understanding of your EDP organization and system can assist management in evaluating the effectiveness and efficiency of program operations. Our approach to computer auditing enables our auditors to identify information regarding the strengths and weaknesses of the various systems, which will be used to design our audit program.

Audit work activities associated with the system review include:



The second activity included in our computer audit approach permits us to use the information gathered during the system review to enhance our audit procedures.

Baker Tilly minimizes fees by conducting a virtually paperless audit using proven processes and Global Focus US, a comprehensive auditing software solution. In addition, we use IDEA, software that creates compatibility between your data and our systems in order to effectively convert and compile information. This investment in technology supports real-time communication — both internally at Baker Tilly and with the requester — and provides a seamless trail from initial planning through the final financial statement issuance.

We also use Global Focus US to assist us in determining the extent of detailed account analysis to perform. By entering data from your budget reports into our program, we are able to analyze account relationships, which help us concentrate our efforts on accounts that are most relevant to the audit.



- > Efficient
- > Cost effective
- > Risk linkage
- > Continuous communication



## 4. Detailed technical proposal

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Baker Tilly is alert to the part technology plays in almost every organizational operation, and we provide a full range of technology risk services. You can rely on your engagement team to combine their industry experience with technology expertise to deliver customized solutions tailored to your specific needs. Our dedicated team of technology professionals can provide high-level insights and solutions. These specialists hold top credentials, including Certified Public Accountant, Certified Internal Auditor, Certified Information Systems Auditor, Certified Information Systems Security Professional, Certified Financial Systems Auditor and Certified Fraud Examiner. We can work with you to ensure your organization derives the appropriate level of value from its technology investments and effectively protects information assets from threats.

### **Collaboration portal**

Baker Tilly also employs a secure cloud collaboration solution called Huddle. With Huddle, the requester can feel secure to collaborate with the engagement team anywhere, anytime and on any device. This secure, cloud-based collaboration solution makes it easy for our internal teams at Baker Tilly and the requester to come together, share and edit files, assign tasks and track activity in a secure, shared environment.

### ***E. Type and extent of analytical procedures to be used in the engagement***

Analytical procedures may range from simple comparisons to complex models involving many relationships and elements of data. Generally accepted auditing standards require the use of analytical procedures in all audits of financial statements.

Our analytical procedures are done in three parts — planning, preliminary and final. Planning analytical review is performed during our preliminary fieldwork to help us plan the audit and determine where we might need to focus additional attention. Preliminary procedures are performed using the requester's trial balance and budget report prior to audit entries. In-charge auditors review the current-year information and compare it to prior-year actual amounts, the current budget and other expected results. These procedures are performed on the balance sheet and income statement.

Final analytical review takes place after all audit entries are posted. The partner-in-charge or manager reviews the financial statements, looking for variances to our expectations — figures that exceed a predetermined threshold level — both from a percentage and from a dollar amount perspective. Accounts that exceed the variance threshold are highlighted for further investigation. This investigation includes reviewing detail transactions, vouching a sample of transactions, discussions with management and validation techniques. Explanations of variances are documented in our file, with the results used to determine the extent of any additional audit testing or financial statement disclosures.



## 4. Detailed technical proposal

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### *F. Approach to be taken to gain and document an understanding of the joint requester's internal control structure*

Our audit process stresses the importance of evaluating internal controls, especially under the risk assessment standards. We perform a thorough evaluation of the effectiveness of your internal controls in order to perform risk assessments and design a risk-based audit program.

During preliminary work, we will update or document our understanding of your internal controls, and evaluate and test internal controls over the significant accounting and reporting systems of the requester. These evaluations will enable us to determine how much reliance we can place upon the systems for audit purposes and the amount of systems testing and account verification work that may be required.

In addition, all significant suggestions, questions or other comments resulting from these evaluations will be discussed with appropriate personnel.

After we have evaluated the internal controls, we will test the flow of data through the systems to determine:

- > Whether the data actually follows the prescribed procedures and controls within the system
- > The degree of clerical accuracy achieved in recording and summarizing the data

### *G. Approach to be taken in determining laws and regulations that will be subject to audit test work*

Should a single audit be required, the audit scope regarding compliance with laws and regulations is substantially broader than a standard audit conducted according to GAAS. We have developed our own approach to satisfy both the single audit and GAAS requirements.

#### **Compliance testing approach**

Uniform Guidance requires we test for compliance with laws and regulations that could have a material effect on the allowability of program expenditures. Therefore, we will test financial transactions as well as specific program requirements.

After we have determined which federal and state programs are major, we will develop the approach to test a specific program. We know certain programs incur costs that are administrative in nature, consisting primarily of salaries, wages and fringe benefits. For these programs, we will randomly select a representative sample of payroll costs to test. Our sample will be derived from the personnel assigned to that particular program.

Other programs, however, do not have substantial personnel costs. Those programs involve the purchasing of goods or services from outside sources, including vendors and not-for-profit agencies. Our approach to these types of programs would be to select a representative sample of charges to that program from the requester's transaction history reports.



## 4. Detailed technical proposal

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For programs that involve both significant personnel costs and costs from outside sources, our approach would be a combination of the procedures identified above. Because we also are testing for compliance with administrative laws and regulations, we will be testing representative samples from each major program. Most of our testing will involve the eligibility of persons assisted by that program. We will select case files to review from the requester's records of clients served during the period.

OMB's Compliance Supplement identifies 12 significant areas that may apply to each federal award. We rely on Practitioners Publishing Company for general work program guidance and developed our own work programs tailored for the requester.

### **Audit conducted according to GAAS requirements**

Our dedicated team is immersed in the industry, with substantial knowledge of various laws and regulations dealing with government accounting, budgeting, financing and reporting. With this knowledge, we developed our own audit work program, which we will use on the audit. The work program covers such areas as:

- > Authorization of depositories and types of allowable investments
- > Arbitrage compliance and rebate requirements
- > Budgeting procedures and reporting requirements
- > Restrictions on expenditures and matching requirements
- > Taxing and debt limits
- > Compliance with the TIF statutes

Additionally, we will obtain information from the management of the requester on other significant laws and regulations that could materially affect the basic financial statements in the event of noncompliance.

### **Audit conducted according to single audit requirements and GAO standards**

These standards require we perform additional tests in order to provide reasonable assurance that federal award programs are in compliance with laws and regulations governing those programs. We will test all major federal programs as well as non-major program transactions selected for other audit purposes.

We will use the following documents for guidance in determining the laws and regulations applicable to the requester's federal award programs:

- > The Single Audit Act Amendments of 1996
- > GAO Government Auditing Standards
- > Uniform Guidance for Federal Awards
- > Code of Federal Regulations
- > Catalog of Federal Domestic Assistance

As a practical matter, most of the significant laws and regulations that affect the requester's single audit programs can be found in OMB's Compliance Supplement.



## 4. Detailed technical proposal

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For any major federal program not listed in the Compliance Supplement, we will determine the significant compliance requirements by reading the applicable statutes, grant agreements and policy manuals. We also will contact federal and state agencies for technical assistance, if deemed necessary.

### *H. Approach to be taken in drawing audit samples for purposes of tests of compliance*

Our testing of compliance and internal control over compliance will follow the requirements of the AICPA sampling guidance. Each major program tested during the single audit will have samples pulled for each of the applicable compliance requirements. The sample sizes will depend on the number of transactions in the population.

### *I. Approach to be taken in proposing audit adjustments*

Adjustments that are uncovered during our audit test work will be immediately brought to the attention of management after careful consideration and review by your Baker Tilly audit team. Complex adjustments are vetted through the Manager, Partner or Professional Practice Leader prior to discussion with the requester to ensure that the proper course of action is proposed. After the proper treatment has been agreed upon between Baker Tilly and the requester, we will post the adjustment in our audit software and provide the requester with copies of adjustments for their records.

### *J. Pending and previous litigation*

Our testing of pending and previous litigation begins with a discussion with management concerning significant litigation and obtaining a listing of attorneys consulted during the year. We will then determine which, if any, attorneys represented the requester in litigation that could have a potentially material impact on the entity. We request audit letters from the applicable attorneys to assess the requester's accrued liability and to determine if a note disclosure is necessary. To limit the legal fees charged to the requester we will work diligently to only request letters when necessary.



## 4. Detailed technical proposal

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### Proposed scope of service by requester

#### *City of Geneva*

You have requested audit proposals for fiscal years ending April 30, 2018, through April 30, 2021. The scope of our audit includes all the funds, accounts, capital assets, long-term debt and activities of the City. Baker Tilly will meet or exceed all performance specifications listed in the request for proposals.

The following reports will be prepared and presented at the completion of the audits:

- > Twenty-five (25) bound copies and one (1) unbound copy of the CAFR. The auditor will prepare all financial statements and notes to the financial statements. The auditor will assist in preparation of the statistical section of the CAFR and will prepare appropriate schedules. The City of Geneva will provide a cover design for the CAFR, but the auditor will provide binders and dividers. The auditor will furnish the City with a bookmarked PDF copy of the CAFR to be incorporated into the City website.
- > Two (2) copies and the electronic filing of the Illinois Comptroller's Annual Financial Report for the City of Geneva.
- > A letter to management containing appropriate suggestions for improvement of accounting procedures and internal controls for the City's consideration. This letter will contain comments and recommendations for controlling any internal weaknesses discovered and will be reviewed by the Finance Manager before finalizing.
- > A report on the fair presentation of the financial statements of Tax Increment Financing Districts in conformity with generally accepted accounting principles and compliance with the Economic Development Project Area Tax Increment Act of 1995.
- > Ten (10) copies of a report on the Geneva Police Pension Fund financial statements.
- > Ten (10) copies of a report on the Geneva Firefighters' Pension Fund financial statements.
- > Ten (10) copies of a report on the financial statements, internal control and compliance in accordance with the audit guide and standards for compliance with the Single Audit Act, as may be required.

#### **Special considerations**

- > The City of Geneva will send its comprehensive annual financial report to the GFOA for review in its Certificate of Achievement for Excellence in Financial Reporting program. In accordance with this award program, the auditor shall assure that the City's CAFR conforms to the provisions of the program and shall prepare annually the City's response to comments made by the award program on the preceding year's report as submitted to the program. It is the auditor's responsibility to confirm with the City that any and all comments have been incorporated into the current year's report.
- > The City of Geneva's Financial Advisors will file the CAFR with each Nationally Recognized Municipal Securities Information Repository to comply with SEC filing requirement 15c-2-12 by the appropriate deadline and, therefore, the auditor will not be required to provide this service.



## 4. Detailed technical proposal

- > The City of Geneva as need arise will prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any required communication.

### Staff and hours by audit segment for the City of Geneva

Estimates of the time requirements for the 2017 audit to be provided by staff level, along with the costs by staff level, are as follows:

	Partner	Manager	Senior	Staff	Totals
Planning and administration	13	15	28	29	85
Risk assessments and internal control	9	10	19	19	57
Cash/investments	6	7	14	14	41
Revenues	9	11	21	22	63
Expenditures	9	11	21	22	63
Property	5	6	11	11	33
Financing/equity	3	4	7	7	21
Financial reporting (including AFR and TIF)	9	11	20	21	61
Single audit	4	4	8	8	24
<b>Total hours</b>	<b>67</b>	<b>79</b>	<b>149</b>	<b>153</b>	<b>448</b>

These audit hours are based on our experience with clients similar to the City. The hours above do not include estimated time necessary in the first year of the contract. We understand and anticipate increased hours will be required in the initial year, but we will not pass those costs along to you. If additional time is needed to complete the engagement in the City's timeline, the necessary adjustments to our schedule will be made.



## 4. Detailed technical proposal

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### *Tri-Com Central Dispatch*

You have requested audit proposals for fiscal years ending April 30, 2018, through April 30, 2021. The scope of our audit will include all the funds, accounts, capital assets, long-term debt and activities of Tri-Com. Baker Tilly's audit will meet or exceed all performance specifications listed in the request for proposals.

The following reports will be prepared and presented at the completion of the audits:

- > Ten (10) bound copies and one (1) unbound copy of the AFR. The auditor will prepare all financial statements and notes to the financial statements. Tri-Com will provide a cover design for the AFR, but the auditor will provide binders and dividers. The auditor will furnish Tri-Com with a bookmarked PDF copy of the AFR to be incorporated into Tri-Com's website.
- > A letter to management containing appropriate suggestions for improvement of accounting procedures and internal controls for the Tri-Com's consideration. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be reviewed by the Finance Manager before finalizing.
- > One (1) electronic copy of the report on expressing an opinion on the allocation of the pension amounts for the Illinois Municipal Retirement Fund.
- > One (1) electronic copy of the report on expressing an opinion on the allocation of the other post-employment amounts related to retire health insurance.

## 4. Detailed technical proposal

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### Staff, hours by audit segment for Tri-Com Central Dispatch

Estimates of the time requirements for the 2017 audit to be provided by staff level, along with the costs be staff level, are as follows:

Segment	Partner	Manager	Senior	Staff	Total hours
Planning and administration	4	4	8	8	24
Risk assessments and internal control	2	3	5	5	15
Cash/investments	2	2	4	4	12
Revenues	3	3	6	6	18
Expenditures	3	3	6	6	18
Property	1	2	3	3	10
Financing/equity	1	1	2	2	6
Financial reporting	3	3	6	6	18
Single audit, if required	3	4	7	7	21
<b>Total hours</b>	<b>22</b>	<b>25</b>	<b>47</b>	<b>47</b>	<b>141</b>

These audit hours are based on our experience with clients similar to Tri-Com. The hours above do not include estimated time necessary in the first year of the contract. We understand and anticipate increased hours will be required in the initial year, but we will not pass those costs along to you. If additional time is needed to complete the engagement in Tri-Com's timeline, the necessary adjustments to our schedule will be made.



## 5. Fee proposal

### All-inclusive pricing

We prepared a not-to-exceed fee estimate for the joint requester based on the needs and objectives you have shared with us and our experience conducting similar audit engagements with clients in the public sector. Our estimate allows for thorough and insightful advice and services from experienced professionals without unnecessary add-ons or start-up charges.

We will not bill the joint requester for routine phone calls or for first-year start-up or transition time. We will invest in excess of 135 hours (approximately \$13,500) in the transition start-up phase of the engagement.

Fees for any service can vary due to factors such as hourly billing rates, mix of staff and actual hours of performance. A low fee is not a bargain if adequate attention is not given to the client or the service is less than that which the professional should provide. We encourage you to call and discuss your business concerns with us. We will always let you know if a service is outside of the scope of our bid and will ask for your approval before we begin our work or bill you.

Our proposed fees are based on the assumption that there will be minimal client initiated or audit adjusting entries posted to the general ledger once fieldwork commences. Our fees do not include bookkeeping or accounting assistance for preparation of audit working papers; however, we work with our clients to minimize additional costs. We are sensitive to cost control and have always worked diligently to minimize our fees through adequate planning, detailed client audit or review preparation lists and other means; all while maintaining high quality standards. Our fees are all-inclusive of support personnel costs and report production fees.

Partners, managers or high-level seniors will perform a significant portion of the total audit hours. We believe this demonstrates our commitment to provide highly trained and experienced individuals to your engagement.

The fees are based on the known facts and circumstances as of the date of this proposal and as listed in the RFP. Our fees do include routine questions throughout the year fielded by Baker Tilly personnel who can provide meaningful, timely and realistic guidance. **Lastly, these fees include all applicable auditing standards and accounting standards issued and implemented by GASB as of the date of this proposal.**

Estimated hours by professional level for the City's and Tri-Com's audits are provided on pages 42 and 44, respectively. Please consult the "Forms" section for the pricing sheets.



## 5. Fee proposal

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### Hourly rates by staff level

Should the joint requester require additional services beyond the scope of this engagement, we will be pleased to prepare a new estimate detailing the level of effort and resources required to complete the work using the rates below. If a service is outside the scope of our bid, we will let you know and ask for your approval before we begin our work and/or bill you.

Staff level	Discounted hourly rates
Partner	275
Manager	175
Senior	125
Staff	100



## 6. Forms

The pricing sheets for each requester and all other required forms are provided on the following pages.



**SUBMISSION INFORMATION**  
 City of Geneva, Finance Division  
 22 S First St.  
 Geneva, IL 60134

**DUE DATE: January 15, 2018**  
**TIME: 2:00 P.M. Local Time**  
**LOCATION: City of Geneva**

**REQUEST FOR PROPOSALS INFORMATION**

**Company Name:** Baker Tilly Virchow Krause, LLP  
**Address:** 1301 W. 22nd St., Ste 400  
**City, State, Zip Code:** Oak Brook, IL 60525  
**Contact Person:** Jason Coyle, Partner

**PROFESSIONAL AUDITING SERVICES**  
*per the specifications identified herein*

Submit 1 original, 2 copies & 1 electronic copy (via e-mail)

**CITY OF GENEVA – PRICING SHEET**

**AUDIT SERVICES – ANNUAL NOT TO EXCEED AMOUNT**

<b>Fiscal Year Ending</b>	<b>04.30.2018</b>	<b>04.30.2019</b>	<b>04.30.2020</b>	<b>04.30.2021</b>
<b>Financial Statements (CAFR)</b>	\$ 29,500	\$ 30,390	\$ 31,300	\$32,240
<b>Single Audit (if required)</b>	\$ 2,500	\$ 2,580	\$ 2,660	\$ 2,740
<b>Annual Report for the State of Illinois Comptroller</b>	\$ 1,000	\$ 1,030	\$ 1,060	\$1,090
<b>TIF #2 Compliance Report</b>	\$ 1,500	\$ 1,550	\$ 1,600	\$1,650
<b>TIF #3 Compliance Report</b>	\$ 1,500	\$1,550	\$1,600	\$1,650
<b>Police Pension Report</b>	\$ 4,000	\$ 4,120	\$ 4,240	\$4,370
<b>Firefighters' Pension Report</b>	\$ 3,500	\$ 3,610	\$3,720	\$3,830
<b>TOTAL PROPOSAL PRICE</b>	<b>\$ 43,500</b>	<b>\$ 44,830</b>	<b>\$46,180</b>	<b>\$47,570</b>



23  
 Tri-Com Central Dispatch  
 3823 Karl Madsen Dr.  
 St. Charles, IL 60175

**DUE DATE: January 15, 2018**  
**TIME: 2:00 P.M. Local Time**  
**LOCATION: City of Geneva**

**REQUEST FOR PROPOSALS INFORMATION**

**Company Name:** Baker Tilly Virchow Krause, LLP  
**Address:** 1301 W. 22nd St., Ste 400  
**City, State, Zip Code:** Oak Brook, IL 60525  
**Contact Person:** Jason Coyle, Partner

**PROFESSIONAL AUDITING SERVICES**  
*per the specifications identified herein*

**Submit 1 original, 2 copies & 1 electronic copy (via e-mail)**

**TRI-COM CENTRAL DISPATCH – PRICING SHEET**

**AUDIT SERVICES – ANNUAL NOT TO EXCEED AMOUNT**

<b>Fiscal Year Ending</b>	<b>04.30.2018</b>	<b>04.30.2019</b>	<b>04.30.2020</b>	<b>04.30.2021</b>
<b>Financial Statements (AFR)</b>	\$8,000	\$8,240	\$8,490	\$8,740
<b>IMRF Allocation Report</b>	\$1,000	\$1,030	\$1,060	\$1,090
<b>OPEB Allocation Report</b>	\$1,000	\$1,030	\$1,060	\$1,090
<b>Single Audit (if required)</b>	\$2,000	\$2,060	\$2,120	\$2,180
<b>TOTAL PROPOSAL PRICE</b>	\$12,000	\$12,360	\$12,730	\$13,100

<b>REFERENCES</b>
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Please list below three (3) references for which your firm has performed similar work for Municipalities as identified in the Proposal Qualifications.

Municipality:	City of Wheaton	
Address:	303 West Wesley Street	City, State,
Zip Code:	Wheaton, IL 60187	
Contact Person/ Telephone Number:	Robert Lehnhardt/630 260 2000	Dates of
Service/Award Amount:	2010 - present/approx. \$42,000 per year	
Municipality:	City of Bloomington	Address: _____
City, State, Zip Code:	109 E. Olive Street, Bloomington, IL 61701	
Contact Person/Telephone Number:	Patti-Lynn Silva/309 434 2336	Dates of
Service/Award Amount:	2016-present/approx. \$97,000 per year	
Municipality:	Village of Roselle	Address: _____
City, State, Zip Code:	31 S. Prospect St., Roselle, IL 60172	Contact
Person/ Telephone Number:	Thomas Dahl/630 980 2000	Dates of
Service/Award Amount:	2017-present/approx. \$25,000 per year	
Agency:	Pleasantview Fire Protection District	Address: _____
City, State, Zip Code:	1970 Plainfield Rd., LaGrange Highlands, IL 60525	Contact
Person/ Telephone Number:	Kathy Kirk/708 352 9229	Dates of
Service/Award Amount:	1997-present/approx. \$30,000 per year	
Agency:	Thorn Creek Basin Sanitary District	Address: _____
City, State, Zip Code:	700 West End Avenue, Chicago Heights, IL 60411	Contact
Person/ Telephone Number:	Norma Cash/708 754 0525	Dates of
Service/Award Amount:	2016-present/approx. \$23,000 per year	



## 6. Forms

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### iii. Resumes



**Jason K. Coyle, CPA**

*Partner*

**630 645 6205**

**[jason.coyle@bakertilly.com](mailto:jason.coyle@bakertilly.com)**

***20 years of government auditing experience***

Jason Coyle, Partner with Baker Tilly Virchow Krause, LLP, has been in the accounting industry since 1997. Jason is a member of the public sector practice group. He specializes in providing financial and compliance audits, as well as accounting services. Jason has extensive experience with municipalities, counties, special districts and school districts.

### Specific experience

- > Partner-in-charge of financial and compliance related audit engagements for local governmental entities
- > Routinely assists local governments with the implementation of new accounting standards issued by the Governmental Accounting Standards Board
- > Reviews and provides guidance for Comprehensive Annual Financial Reports, which have been awarded a “Certificate of Achievement for Excellence” in Financial Reporting
- > Performs internal control reviews of municipalities and school districts, providing recommendations on policies and procedures to strengthen internal controls
- > Provides Tax Incremental Financing (TIF) compliance audits
- > Partner-in-charge of single audits in accordance with OMB Uniform Guidance Guidelines
- > Presents annual audit and financial results to various client boards
- > Leads operations reviews designed to improve the efficiency and effectiveness of business and finance operations
- > Member of the Special Review Executive Committee of the GFOA which reviews financial statements submitted to the CAFR program
- > Licensed CPA in Illinois

### Industry involvement

- > American Institute of Certified Public Accountants
- > Government Finance Officers Association – Special Review Executive Committee
- > Illinois Governmental Finance Officers Association – Technical Accounting Review Committee
- > Illinois CPA Society – Governmental Executive Committee
- > Illinois Association of School Business Officials
- > Speaks at industry conferences



## 6. Forms

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Jason K. Coyle, page 2

### Education

University of Illinois-Urbana-Champaign  
Bachelor of Science in Accountancy

### Similar clients

- > City of Highland Park
- > City of Moline
- > City of Wheaton
- > City of Waukegan
- > Village of Park Forest

### Relevant continuing education

- > "GASB 67 Training" (Baker Tilly)
- > "Independence: Historical Insights and Today's Rules" (Becker Professional Education)
- > Single audit updates (Baker Tilly)
- > Public Sector accounting and auditing updates (Baker Tilly)
- > 2014 Firm-Wide Assurance Service Line Conference (Baker Tilly)
- > Illinois GFOA IMRF GASB Statement 68 Guidance for Employers Webinar
- > AICPA "The GASB's Pension Standards Part II: Considerations for Agent Plans and Participating Employers"
- > Illinois GFOA Technical Accounting Review Committee
- > 2014 Municipal Update (Baker Tilly)
- > GFOA Blue Book Training
- > Illinois CPA Society Governmental Report Review Committee 2013
- > Illinois GFOA GASB 67 and 68 Implementation Session
- > Illinois Public Sector/NFP Busy Season CPE (Baker Tilly)
- > GFOA national conferences
- > Illinois GFOA conferences
- > "City of Chicago Ethics Training" (Baker Tilly)
- > GFOA Certificate of Conformance
- > "IT Risk Assessment Standards (RAS) Training for Auditors" (Baker Tilly)
- > Public Sector single audit updates (Baker Tilly)
- > GFOA annual governmental GAAP update



## 6. Forms

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### **Joseph M. Lightcap, CPA**

*Partner*

**630 645 6215**

[joe.lightcap@bakertilly.com](mailto:joe.lightcap@bakertilly.com)

*17 years of government auditing experience*

Joe Lightcap, a partner with Baker Tilly Virchow Krause, LLP, has been with the firm since 2000. He is a member of the public sector practice group and specializes in providing accounting and auditing services to local governmental entities, including villages, counties and school districts.

### **Specific experience**

- > Partner-in-charge of financial and compliance related audit engagements for public sector entities.
- > Supervises the work performed by multiple associates during accounting and auditing engagements.
- > Reviews and provides guidance for comprehensive annual financial reports, which have been awarded Certificates of Excellence in Financial Reporting from the Government Finance Officers Association and Association of School Business Officials.
- > Provides strategic planning and implementation services for government units, implementing Governmental Accounting Standards Board (GASB) pronouncements.
- > Analyzes clients' control systems to assist in implementing beneficial controls that are cost effective to clients.
- > Assists clients in developing account structures in order to comply with state reporting requirements.
- > Identifies client opportunities for efficiencies and cost savings.
- > Develops "best practices" for municipalities and school districts.
- > Analyzes policies, procedures and controls.
- > Conducts risks assessment standards.
- > Licensed CPA in Illinois.

### **Industry involvement**

- > Illinois Government Finance Officers Association
- > Government Finance Officers Association – Special Review Committee
- > Illinois CPA Society
- > Illinois Association of School Business Officials



## 6. Forms

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Joseph M. Lightcap, page 2

### Education

University of Illinois-Urbana-Champaign  
Bachelor of Science in Accountancy

### Similar clients

- > City of Lake Forest
- > Village of Buffalo Grove
- > Village of Hodgkins
- > Village of Oak Brook
- > Village of Orland Park

### Relevant continuing education

- > "GASB 67 Training" (Baker Tilly)
- > "Independence: Historical Insights and Today's Rules" (Becker Professional Education)
- > Single audit updates (Baker Tilly)
- > Public Sector accounting and auditing updates (Baker Tilly)
- > 2014 Firm-Wide Assurance Service Line Conference (Baker Tilly)
- > Illinois GFOA IMRF GASB Statement 68 Guidance for Employers Webinar
- > AICPA "The GASB's Pension Standards Part II: Considerations for Agent Plans and Participating Employers"
- > Illinois GFOA Technical Accounting Review Committee
- > 2014 Municipal Update (Baker Tilly)
- > GFOA Blue Book Training
- > Illinois Public Sector/NFP Busy Season CPE (Baker Tilly)
- > GFOA national conferences
- > Illinois GFOA conferences
- > GFOA Certificate of Conformance
- > "IT Risk Assessment Standards (RAS) Training for Auditors" (Baker Tilly)
- > Public Sector single audit updates (Baker Tilly)
- > GFOA annual governmental GAAP update



## 6. Forms

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### **Jodi L. Dobson, CPA**

*Partner*

**608 240 2469**

**jodi.dobson@bakertilly.com**

***20 years of public utility experience***

Jodi Dobson, partner on the energy and utilities team with Baker Tilly Virchow Krause, LLP, has been with the firm since 1998. She specializes in serving municipal utilities (electric, water, wastewater, stormwater and transit) and joint action agencies. Her experience includes performing financial audits, single audits, agreed upon procedure reviews and fraud investigations as well as preparing rate studies, cost of service studies, rate designs and financial forecasts. Jodi is active in several industry associations including the Municipal Electric Utilities of Wisconsin (MEUW), Wisconsin Section of American Water Works Association (WIAWWA) Board of Trustees and Wisconsin Rural Water Association (WRWA).

### **Specific experience**

- > Oversees audits for municipal electric, water, wastewater, stormwater and transit utilities and joint action agencies
- > Leads agreed upon procedure reviews related to contract compliance for utilities, joint action agencies and regulatory bodies
- > Facilitates utility rate studies, including cost of service studies and rate design options
- > Assists governmental units with interpretation and implementation of Governmental Accounting Standards
- > Analyzes the financial impact of construction projects on utility customer rates, borrowing needs and operational results
- > Directs the preparation of annual operating budgets and long-range financial forecasts for electric, water and wastewater utilities
- > Provides support to municipal utilities with complex retail and wholesale rate issues
- > Leads special projects, including chart of account separations, specific rate designs, departmental cost analysis, development of connection fees and impact fees, operational benchmarking and basis of accounting conversions
- > Compiles annual reports to regulatory agencies
- > Performs compliance audits of federal and state funded programs under OMB Uniform Guidance
- > Conducts fraud investigations for municipalities and counties



## 6. Forms

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Jodi Dobson, page 2

### Industry involvement

- > American Institute of Certified Public Accountants
- > American Public Power Association (APPA) – utility education courses instructor
- > Government Finance Officers Association Comprehensive Annual Financial Report reviewer
- > MEUW
- > WIAWWA Board of Trustees
- > Wisconsin Institute of Certified Public Accountants
- > WRWA

### Education

Carthage College (Kenosha, Wisconsin)  
Bachelor of Business Administration in Accounting and International Business

### Similar clients

- > Springfield Mass Transit District
- > Greater Peoria Mass Transit District
- > Rockford Mass Transit District
- > City of Madison (Wisconsin)
- > City of Janesville (Wisconsin)
- > City of Stevens Point (Wisconsin)

### Relevant continuing education

- > APPA, various seminars
- > Baker Tilly, Essentials of utility financial management
- > Baker Tilly, Governmental auditing update
- > Baker Tilly, Performing single audits under the Uniform Guidance for federal awards
- > Baker Tilly, Utility rate studies
- > Fraud examination for managers and auditors
- > Internal control and fraud detection
- > Internal controls for small entities
- > The strength behind boards of directors: accountability and oversight
- > Wisconsin Institute of Certified Public Accountants, Accounting, Auditing and Financial Management Conference



## 6. Forms

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### **Susannah M. Baney, CPA**

*Manager*

**630 645 6207**

**susannah.baney@bakertilly.com**

***Six years of government auditing experience***

Susannah Baney is a manager with Baker Tilly Virchow Krause, LLP's Public Sector Group. She specializes in serving state and local governmental entities. Susannah joined the firm in 2010.

### **Specific experience**

- > Provides audit services for governmental entities, including counties, municipalities and school districts
- > Prepares comprehensive annual financial reports, which have been awarded Certificates of Excellence in Financial Reporting from the Government Finance Officers Association and Association of School Business Officials
- > Performs single audits in accordance with Uniform Grant Guidance
- > Served as an Associate Fellow at the Governmental Accounting Standards Board from 2015–2016 working on several projects including the GAAP Hierarchy, Leases, Certain Debt Extinguishments, and Implementation Guidance Updates, and research on Going Concern Disclosures and Equity Interest Ownership

### **Industry involvement**

- > Illinois CPA Society
- > Illinois Government Finance Officers Association
- > GASB Practice Fellow Program, (2015-2016)

### **Education**

Bradley University (Peoria, Illinois)  
Bachelor of Science in Accounting  
Master of Science in Accounting

### **Similar clients**

- > City of Wheaton
- > City of Countryside
- > Village of Westchester



## 6. Forms

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Susannah M. Baney, page 2

### Relevant continuing education

- > Midwest Public Sector Live Training (Baker Tilly)
- > Public Sector Training Webcast – Agreed Upon Procedures for Governments (Baker Tilly)
- > Governmental Accounting and Auditing Update Conference 2017 (AICPA)
- > 2017 Single Audit Update (Baker Tilly)
- > Single Audit Methodology Training (Baker Tilly)
- > 2016 VBA Assurance Conference – Public Sector Industry Developments (Baker Tilly)
- > Update on the FASB Invitation to Comment Addressing Intangible Assets, Pensions, Liabilities and Equity, and Financial Performance Planning (FASB)
- > Non-GAAP Reporting (FASB)
- > Bring it On – Discussing the GASB's New Leases Standard (Deloitte)



## 6. Forms

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### **Jeffrey T. Stanek, CPA**

*Manager*

**608 240 2315**

**jeff.stanek@bakertilly.com**

***10 years of utility auditing experience***

Jeff Stanek, manager on the energy and utilities team, has been with Baker Tilly since 2007. He specializes in providing auditing, accounting and consulting services. Jeff also assists with financial and capital forecasts, rate studies, software implementations, internal control design and reviews, advanced accounting training, implementation of utility best practices and research into complex accounting transactions.

### **Specific experience**

- > Provides financial audits of electric, water, sewer and communications utilities
- > Compiles financial statements and annual reports of municipal utilities to regulatory agencies
- > Assists clients with implementation of new accounting standards, including Governmental Accounting Standards
- > Provides consulting services to public utilities, including financial capital forecasts, economic evaluations, billing reviews, compliance audits, implementation of industry best practices and allocation reviews
- > Analyzes and conducts utility rate studies
- > Teaches courses on utility industry related topics for various associations and clients, including advanced utility accounting, supply chain management and regulatory reporting
- > Assists with the implementation of utility software as well as review and design of internal controls
- > Provides OMB Uniform Guidance compliance audits of federally funded programs

### **Industry involvement**

- > American Institute of Certified Public Accountants (AICPA)
- > American Public Power Association (APPA)
- > Northwest Public Power Association
- > Wisconsin Institute of Certified Public Accountants

### **Education**

University of Wisconsin–Eau Claire  
Bachelor of Business Administration in Accounting and Finance



## 6. Forms

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Jeffrey T. Stanek, page 2

### Similar clients

- > Illinois Municipal Electric Agency (IMEA)
- > City of Waupun (Wisconsin)
- > City of Juneau (Wisconsin)
- > City of Watertown (Wisconsin)

### Relevant continuing education

- > AICPA, Governmental Accounting Standards Board (GASB) update, Annual
- > AICPA, Internal control and fraud in governmental and nonprofit entities
- > AICPA, Performing single audits under the Uniform Guidance for federal awards
- > Baker Tilly, Assurance Conference, Public sector: audit efficiency and strategy
- > Baker Tilly, Assurance Conference, Public sector industry developments
- > Baker Tilly, Assurance Conference, Professional standards update
- > Baker Tilly, Assurance Conference, GASB technical update
- > Baker Tilly, Assurance Conference, Audits of the future
- > Baker Tilly, Assurance Conference, Public sector: CaseWare
- > Baker Tilly, GASB 68 training
- > Baker Tilly, Single audit trainings
- > Baker Tilly, Yellow Book and single audit deficiencies



## 6. Forms

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### iv. Sample CAFR

As an example of a **CAFR** report recently prepared by our office, please follow the link below to the CAFR for the City of Highland Park:

[cityhpil.com/document\\_center/Government/City%20Depts/Finance/CAFRs/CAFR%20FY2016.pdf](http://cityhpil.com/document_center/Government/City%20Depts/Finance/CAFRs/CAFR%20FY2016.pdf)

### v. Sample AFR

As an example of an AFR report recently prepared by our office, please follow the link below to Pleasantview Fire Protection District:

[plvw.org/mdocs-posts/2016-financial-report/](http://plvw.org/mdocs-posts/2016-financial-report/)

**DISQUALIFICATION OF CERTAIN OFFERORS**

***PERSONS AND ENTITIES SUBJECT TO DISQUALIFICATION***

No person or business entity shall be awarded an agreement or subagreement, for a stated period of time, from the date of conviction or entry of a plea or admission of guilt, if the person or business entity:

- (A) has been convicted of an act committed, within the State of Illinois or any state within the United States, of bribery or attempting to bribe an officer or employee in the State of Illinois, or any State in the United States in that officer's or employee's official capacity;
- (B) has been convicted of an act committed, within the State of Illinois or any state within the United States, of bid rigging or attempting to rig bids as defined in the Sherman Anti-Trust Act and Clayton Act 15 U.S.C.;
- (C) has been convicted of bid rigging or attempting to rig bids under the laws of the State of Illinois, or any state in the United States;
- (D) has been convicted of an act committed, within the State of Illinois or any state in the United States, of price-fixing or attempting to fix prices as defined by the Sherman Anti-Trust Act and Clayton Act 15 U.S.C. Sec. 1 et seq.;
- (E) has been convicted of price-fixing or attempting to fix prices under the laws of the State of Illinois, or any state in the United States;
- (F) has been convicted of defrauding or attempting to defraud any unit of state or local government or school district within the State of Illinois or in any state in the United States;
- (G) has made an admission of guilt of such conduct as set forth in subsection (A) through (F) above which admission is a matter of record, whether or not such person or business entity was subject to prosecution for the offense or offenses admitted to;
- (H) has entered a plea of nolo contendere to charges of bribery, price fixing, bid rigging, bid rotating, or fraud; as set forth in subparagraphs (A) through (F) above.

Business entity, as used herein, means a corporation, partnership, trust, association, unincorporated business or individually owned business.

By signing this document, the bidder hereby certifies that they are not barred from bidding on this contract as a result of a violation of either Section 33E-3 or 33E-4 of the Illinois Criminal Code of 1961, as amended.

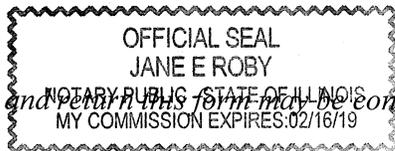
Jason Coyle, Partner

(Signature of Bidder if the Bidder is an Individual) (Signature of Partner if the Bidder is a Partnership) (Signature of Officer if the Bidder is a Corporation)

The above statements must be subscribed and sworn to before a notary public.

Subscribed and Sworn to this 11<sup>th</sup> day of January, ~~2017~~ 2018

Notary Public



*Failure to complete and return this form may be considered sufficient reason for rejection of the proposal*

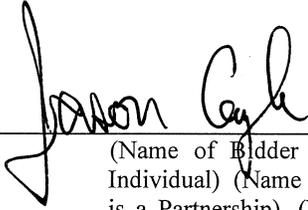
**ANTI-COLLUSION AFFIDAVIT AND CERTIFICATION**

\_\_\_\_\_ Jason Coyle \_\_\_\_\_, being first duly  
sworn, deposes and says that he is \_\_\_\_\_ Partner \_\_\_\_\_  
(Partner, Officer, Owner, Etc.)

of \_\_\_\_\_ Baker Tilly Virchow Krause, LLP \_\_\_\_\_  
(Consultant)

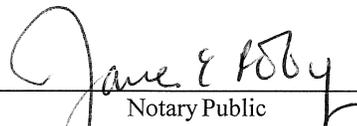
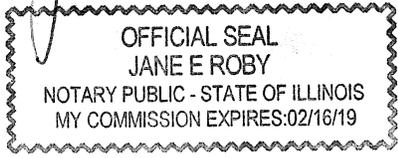
The party making the foregoing proposal or bid, that such bid is genuine and not collusive, or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference with any person; to fix the bid price element of said bid, or of that of any other bidder, or to secure any advantage against any other bidder or any person interested in the proposed agreement.

The undersigned certifies that he is not barred from bidding on this contract as a result of a conviction for the violation of State laws prohibiting bid-rigging or bid-rotating.

  
\_\_\_\_\_  
Jason Coyle, Partner  
(Name of Bidder if the Bidder is an Individual) (Name of Partner if the Bidder is a Partnership) (Name of Officer if the Bidder is a Corporation)

The above statements must be subscribed a sworn to before a notary public.

Subscribed and Sworn to this 11<sup>th</sup> day of January, 2017 2018

  
\_\_\_\_\_  
Notary Public  


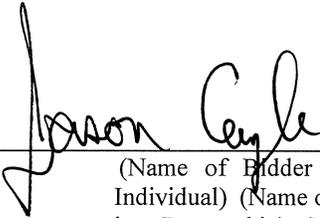
*Failure to complete and return this form may be considered sufficient reason for rejection of the proposal.*

**CONFLICT OF INTEREST**

\_\_\_\_\_ Baker Tilly Virchow Krause, LLP \_\_\_\_\_, hereby certifies that

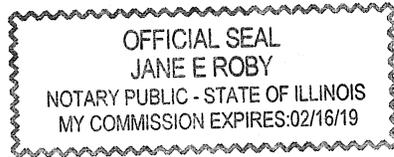
it has conducted an investigation into whether an actual or potential conflict of interest exists between the bidder, its owners, and employees and any official or employee of the joint requester identified herein.

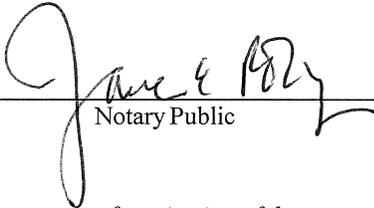
Bidder further certifies that it has disclosed any such actual or potential conflict of interest and acknowledges if the bidder has not disclosed any actual or potential conflict of interest, the joint requester may disqualify the proposal or the affected joint requester may void any award and acceptance that the joint requester has made.

  
\_\_\_\_\_  
Jason Coyle, Partner  
(Name of Bidder if the Bidder is an Individual) (Name of Partner if the Bidder is a Partnership) (Name of Officer if the Bidder is a Corporation)

The above statements must be subscribed a sworn to before a notary public.

Subscribed and Sworn to this 11<sup>th</sup> day of January, 2017-2018



  
\_\_\_\_\_  
Notary Public

*Failure to complete and return this form may be considered sufficient reason for rejection of the proposal.*

**TAX COMPLIANCE AFFIDAVIT**

\_\_\_\_\_  
Jason Coyle, being first duly sworn,  
deposes and says that he is \_\_\_\_\_ Partner  
(Partner, Officer, Owner, Etc.)  
of Baker Tilly Virchow Krause, LLP  
(Consultant)

The individual or entity making the foregoing proposal or bid certifies that he is not barred from contracting with the joint requester identified herein because of any delinquency in the payment of any tax administered by the Department of Revenue unless the individual or entity is contesting, in accordance with the procedures established by the appropriate revenue act. The individual or entity making the proposal or bid understands that making a false statement regarding delinquency in taxes is a Class A Misdemeanor and, in addition, voids the agreement and allows the joint requester to recover all amounts paid to the individual or entity under the agreement in civil action.

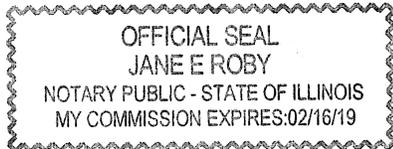
Jason Coyle Jason Coyle, Partner  
(Name of Bidder if the Bidder is an Individual) (Name of Partner if the Bidder is a Partnership) (Name of Officer if the Bidder is a Corporation)

The above statements must be subscribed and sworn to before a notary

public. Subscribed and Sworn to this 11<sup>th</sup> day of

January, ~~2017~~ 2018

Jane E Roby  
Notary Public



*Failure to complete and return this form may be considered sufficient reason for rejection of the proposal.*



## Appendix A: Exceptional Client Service

### The Baker Tilly difference is the client experience

**Accounting firms are not all the same. Baker Tilly breaks away from the pack when it comes to connecting with you to truly understand what is important to you.**

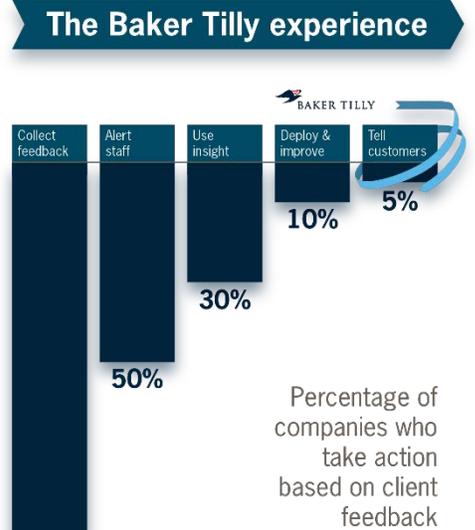
Clients choose and stay with Baker Tilly because they know we deliver Exceptional Client Service. According to the Corporate Executive Board, 95 percent of companies collect feedback about their level of service and expertise, but less than half use it to improve the way they do business, and just 5 percent actually talk with their clients and take action to make things better. We are one of the 5 percent where talk triggers action.

#### A client-centric way of doing business

Your definition of client satisfaction is the only definition that matters. We ask. We listen. From staff accountant to managing partner, we focus on understanding your needs. Through knowledge sharing and open discussions, you will experience the value of working with a team of professionals that focuses on you and your success — a team that dedicates itself to:

- > Proactively identifying and meeting the needs of clients by fostering an atmosphere of service and respect
- > Providing value in ways that increase client satisfaction and loyalty
- > Taking responsibility for developing and sustaining productive client relationships
- > Consistently applying the characteristics of the Baker Tilly client service model to everything we do

Above all, it means we are continually working to improve the client experience.





## Appendix A: Exceptional Client Service

### The voice of our client leads our service model

To ensure we provide Exceptional Client Service, our dedicated client services director conducts satisfaction assessments through a mix of direct telephone calls, client visits and web-based client satisfaction surveys. Firm leaders, including Chairman and CEO Alan Whitman, also get involved, meeting with a sampling of clients each year. During the assessment, we verify that we are delivering on the promises made during the proposal process and that we are meeting your expectations as defined during the client service planning phase of the engagement. Action, in the form of involvement and follow-up by firm leaders, is a critical element of our approach to addressing concerns that may exist.

We formally document this client feedback and share it with the engagement team and respective managing partner. Our CEO, executive managing partners, managing partners and team leaders receive a monthly report of client satisfaction results. These results factor into partner and manager performance management. We take action based on the comments and suggestions we receive.

We ask clients to rate their satisfaction levels on a 1-to-10 scale (10 being highest). In the 12 months ended December 31, 2017, 83 percent of responding clients gave us 9 or 10. On average, clients who gave us a score of less than or equal to 7 gave us nearly 2 points higher the next time they were surveyed due to specific actions taken by our team to improve the client service experience. One such client, a Vice President of Finance, provided the following comment, "You asked. I told you, and you did something about it. And I really respect that."

In the 12 months ending December 31, 2017, clients of our Illinois public sector practice rated their engagement team a **9.07 out of 10**, as an indication of satisfaction.

### The Client Service Plan—it is all about you

A critical component of our engagement planning process is the development of a Client Service Plan that defines our service delivery to the joint requester. We work with you to build the level of detail you desire to provide comfort that your needs are truly understood.

We utilize a web-based system to house and track these planning commitments. This enables seamless access by all members of the engagement team whether they are in audit, tax, consulting or specialty services.

When we give our word regarding transition, process efficiency, accountability, timing, seamless delivery and quality, this tool helps make sure we deliver what we promised.





## Appendix B: Exceptions to specifications

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Our exceptions to specifications on company letterhead are included on the following page.



Baker Tilly Virchow Krause, LLP  
 1301 W 22nd St, Ste 400  
 Oak Brook, IL 60523-3389  
 tel 630 990 3131  
 fax 630 990 0039  
 bakertilly.com

January 15, 2018

Ms. Rita Kruse  
 Finance Manager  
 City of Geneva  
 22 S. First St.  
 Geneva, IL 60134

**RE: Exceptions to specifications for RFP for professional auditing services of financial statements for the joint requesters of the City of Geneva and Tri-Com Central Dispatch**

Dear Ms. Kruse:

We would appreciate the opportunity to further discuss a few sections of your terms and conditions. We raise similar questions on many contracts and have very open discussions with our clients on contractual matters and generally come to a mutual agreement on items of discussion, e.g., whether to make slight modifications to the client's professional services contracts or sign the contract as written. We would hope you would read these comments in that spirit and not consider these to be material exceptions.

Page no.	Paragraph	Explanation of exception
10	17.6.2	We propose revising this section as follows:  17.6.2 <del>To provide separate endorsements: to</del> <u>The CGL policy shall</u> name each joint requester as an additional insured as their interest may appear, and; to provide thirty (30) days' notice, in writing, of cancellation or material change <u>(ten (10) days' notice for non-payment)</u> .
11	17.6.4	We propose revising this section as follows:  17.6.4 The City of Geneva and Tri-Com Central Dispatch shall be provided with Certificates of Insurance and endorsements evidencing the above-required insurance, prior to the commencement of an agreement and thereafter with certificates evidencing renewals or replacements of said policies of insurance <u>at least thirty (30) days prior to the promptly following</u> expiration of cancellation of any such policies.
11	17.7	We propose revising this section as follows:  17.7 Failure to Comply: In the event, the Consultant fails to obtain or maintain any insurance coverages required under this agreement, the joint requester may <u>purchase such insurance coverages and charge the expense thereof to the Consultant terminate this agreement.</u>

Baker Tilly Virchow Krause, LLP  
 Exceptions to specifications

11	18	<p>We propose revising this section as follows:</p> <p><b>18. HOLD HARMLESS <u>&amp; LIMITATION ON DAMAGES</u></b></p> <p>The Consultant agrees to indemnify, <del>save harmless</del> and defend the City of Geneva and Tri-Com Central Dispatch, and their respective elected and appointed officials, employees, agents, consultants, attorneys and representatives (each a “Covered Person”) and each of them against <del>and hold it and them harmless from</del> any and all lawsuits, claims, injuries, demands, liabilities, losses, and expenses, including court costs and attorney’s fees, for or on account of any <u>third-party claim involving</u> injury to any person, or any death at any time resulting from such injury, or any damage to property, which may arise or which may be alleged to have arisen out of, or in connection with the work covered by this project, <u>to the extent such claim is finally judicially determined to have arisen from the wilful misconduct or fraudulent behavior of Consultant</u>. The foregoing indemnity shall apply except if such injury is caused directly by the conduct of the City of Geneva and Tri-Com Central Dispatch its agents, servants, or employees or any other person indemnified hereafter. The obligations of the Consultant under this provision shall not be limited by the limits of any applicable insurance required of the Consultant. <u>Notwithstanding the foregoing, in compliance with AICPA independence requirements, the City of Geneva and Tri-Com Central Dispatch hereby releases Consultant, its subsidiaries and their present or former partners, principals, employees, officers and agents from, and acknowledges that such parties shall not be required to indemnify the City of Geneva, Tri-Com Central Dispatch or any Covered Person against, any costs, fees, expenses, damages and liabilities (including attorneys’ fees and all defense costs) relating to or arising as a result of the acts or omissions of the City of Geneva, Tri-Com Central Dispatch or such Covered Person. Furthermore, because of the importance of the information that the City of Geneva and Tri-Com Central Dispatch provides to Contractor with respect to Consultant’s ability to perform the services, the City of Geneva and Tri-Com Central Dispatch hereby releases Consultant and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney’s fees, relating to the services that arise from or relate to any information, including representations by management, provided by the City of Geneva, Tri-Com Central Dispatch, of their respective personnel or agents, that is not complete, accurate or current.</u></p> <p><u>The liability (including attorney’s fees and all other costs) of Consultant and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this agreement shall not exceed the fees paid to Consultant for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Consultant relating to such services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this agreement even if the other party has been advised of the possibility of such damages.</u></p> <p><u>Any legal proceedings arising from or in conjunction with the services provided under this agreement must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim.</u></p>
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Baker Tilly Virchow Krause, LLP  
 Exceptions to specifications

		<u>Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this agreement are material bargained for bases of this agreement and that they have been taken into account and reflected in determining the consideration to be given by each party under this agreement and in the decision by each party to enter into this agreement. The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of the City of Geneva, Tri-Com Central Dispatch, Consultant or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. The terms of this Section 18 shall also continue to apply after any termination of this agreement.</u>
11	22	<p>We propose revising this section as follows:</p> <p>22. PRECEDENCE        Where there appears to be variances or conflicts, the following order of precedence shall prevail: <u>the final, mutually executed agreement</u>; Each individual joint requester's Scope of Work as stated; The Request for Proposals Terms and Conditions (including Special), and the Consultant's Proposal Response.</p>
12	26	<p>We propose revising this section as follows:</p> <p>26. TERMINATION        Each joint requester reserves the right to terminate their respective portion of their agreement, or any part thereof, upon thirty (30) days written the notice. In case of such termination, the consultant shall be entitled to receive payment from the terminating joint requester for work completed <u>and expenses incurred</u> to date in accordance with the terms and conditions of their agreement. <del>In the event that an agreement is terminated due to consultant's default, the joint requester shall be entitled to purchase services elsewhere and charge the consultant with any or all losses incurred, including attorney's fees and expenses.</del></p>
12	30	<p>We propose revising this section as follows:</p> <p>30. PROPERTY OF THE JOINT REQUESTER        All <del>documents and findings</del> <u>completed deliverables</u> produced as a result of these services shall become the property of the joint requester. <u>The documentation for this engagement, including the workpapers, is the property of Consultant and constitutes confidential information. Consultant may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If Consultant is required by law, regulation, or professional standards to make certain documentation available to Regulators, joint requester hereby authorizes Consultant to do so.</u></p>
15	8	<p>We propose the following be added as new Section 8:</p> <p>8. CONSULTANT ENTITY        Baker Tilly Virchow Krause, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Virchow Krause, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Virchow Krause, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.</p>

Baker Tilly Virchow Krause, LLP  
 Exceptions to specifications

20 D We propose revising this section as follows:

**D. WORKING PAPER RETENTION AND ACCESS TOWORKING PAPERS**

Working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the consultant is notified in writing by the City of Geneva of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designee:

1. ~~City of Geneva Illinois Auditor General~~;
2. Auditors of entities of which the City of Geneva is a sub-recipient of grant funds.

In addition, the consultant shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers from prior years' audits.

24-5 C We propose revising this section as follows:

**C. WORKING PAPER RETENTION AND ACCESS TOWORKING PAPERS**

Working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the consultant is notified in writing by the City of Geneva of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designee:

1. ~~Tri-Com Central Dispatch Illinois Auditor General~~;
2. Auditors of entities of which the Tri-Com is a sub-recipient of grant funds.

In addition, the consultant shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers from prior years' audits.

We hope you will consider these slight modifications.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP



Jason Coyle, CPA, Partner  
 630 645 6205 | jason.coyle@bakertilly.com



Jodi Dobson, CPA, Partner  
 608-240-2469 | jodi.dobson@bakertilly.com