



January 7, 2026

Dollar cost proposal to provide professional auditing services to:

City of Douglas, Arizona

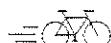
Prepared by:

Jean Marie Dietrich, CPA, Principal
jean.dietrich@CLAnet.com
Direct 602-604-3550

CLAnet.com

CPAs | CONSULTANTS | WEALTH ADVISORS

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



©2026 CliftonLarsonAllen LLP

25. Total All-inclusive Maximum Price

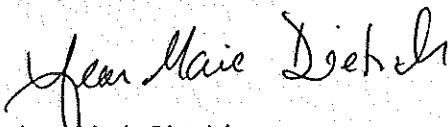
This proposal contains all pricing information relative to performing the audit engagement as described in the request for proposal. The total all-inclusive maximum price proposed contains all direct and indirect costs including all out-of-pocket expenses.

Name of firm

CliftonLarsonAllen LLP (CLA)

Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the City of Douglas

I, Jean Marie Dietrich, as a principal of CLA, am authorized to sign, bind, and commit the firm to the obligations contained in this proposal and the City's RFP.



Jean Marie Dietrich

Office: 602-604-3550

Email: jean.dietrich@CLAnet.com

Total all-inclusive maximum price for the fiscal year 2026 2027, and 2028 engagements

\$174,585

Our fee quote is designed with an understanding that:

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

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

No surprises

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

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

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

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



26. Rates and Staff Level Times Hours Anticipated

APPENDIX B

PART 1 OF 3

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, SINGLE AUDIT REPORT, ANNUAL EXPENDITURE LIMITATION REPORT AND HIGHWAY USER REVENUE REPORT OF THE FY 2026 FINANCIAL STATEMENTS

City of Douglas

| | Hours | Standard Hourly Rates | Quoted Hourly Rates | Total |
|---|--------|-----------------------|---------------------|-----------|
| Partners | 20 | \$ 340 | \$ 320 | \$ 6,400 |
| Managers | 40 | \$ 240 | \$ 220 | \$ 8,800 |
| Supervisory Staff | 142 | \$ 150 | \$ 140 | \$ 19,880 |
| Staff | 144 | \$135 | \$ 130 | \$ 18,720 |
| Other (specify): | (none) | (none) | (none) | (none) |
| Out-of-pocket expenses: | | | | (none) |
| Meals and lodging | | | | |
| Transportation | | | | (none) |
| Other (specify): Technology fee (5%) | | | | \$2,690 |
| Total all-inclusive maximum price for the FY 2026 audit | | | | \$56,490 |

APPENDIX B
PART 2 OF 3

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, SINGLE AUDIT REPORT,
ANNUAL EXPENDITURE LIMITATION REPORT AND HIGHWAY USER REVENUE
REPORT OF THE FY 2027
FINANCIAL STATEMENTS

City of Douglas

| | Hours | Standard Hourly Rates | Quoted Hourly Rates | Total |
|---|--------|-----------------------------|---------------------------|-----------|
| Partners | 20 | \$ 350 | \$ 330 | \$ 6,600 |
| Managers | 40 | \$ 250 | \$ 227 | \$ 9,080 |
| Supervisory Staff | 142 | \$ 155 | \$ 144 | \$ 20,448 |
| Staff | 144 | \$ 140 | \$ 134 | \$ 19,296 |
| Other (specify): | (none) | (none) | (none) | (none) |
| Out-of-pocket expenses: | | | | (none) |
| Meals and lodging | | | | |
| Transportation | | | | (none) |
| Other (specify): Technology fee (5%) | | | | \$ 2,771 |
| Total all-inclusive maximum price for the FY 2027 audit | | | | \$ 58,195 |

APPENDIX B
PART 3 OF 3

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, SINGLE AUDIT REPORT,
ANNUAL EXPENDITURE LIMITATION REPORT AND HIGHWAY USER REVENUE
REPORT OF THE FY 2028
FINANCIAL STATEMENTS

City of Douglas

| | Hours | Standard Hourly Rates | Quoted Hourly Rates | Total |
|---|--------|-----------------------------|---------------------------|-----------|
| Partners | 20 | \$ 360 | \$ 340 | \$ 6,800 |
| Managers | 40 | \$ 260 | \$ 234 | \$ 9,360 |
| Supervisory Staff | 142 | \$ 160 | \$ 148 | \$ 21,016 |
| Staff | 144 | \$ 145 | \$ 138 | \$ 19,872 |
| Other (specify): | (none) | (none) | (none) | (none) |
| Out-of-pocket expenses: | | | | (none) |
| Meals and lodging | | | | |
| Transportation | | | | (none) |
| Other (specify): Technology fee (5%) | | | | \$ 2,852 |
| Total all-inclusive maximum price for the FY 2028 audit | | | | \$ 59,900 |

27. Out-of-Pocket Expenses

CLA confirms and acknowledges that out-of-pocket expenses for CLA personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the City of Douglas for its employees. All estimated out-of-pocket expenses to be reimbursed have been presented in the format provided in the attachment (Appendix B). It is understood that all expense reimbursements will be charged against the total all-inclusive maximum price submitted by CLA.

Further, it is understood that by submitting a proposal, CLA certifies that it will accept reimbursement for travel, lodging and subsistence at the prevailing rates for employees of the City of Douglas.

28. Rates for Additional Professional Services

It is understood that if it should become necessary for the City of Douglas to request CLA to render any additional services to either supplement the services requested in this request for proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Douglas and CLA. Any such additional work agreed to between the City of Douglas and CLA shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost proposal.

Other services available

In addition to the services outlined in this proposal, CLA collectively offers a wide breadth of highly customized services and capabilities to meet our clients' wants and needs, including a sampling of the following:

- Internal audit, risk assessments, and evaluations
- Implementation assistance for complex accounting standards
- ACA Reporting
- Operational and financial systems consulting
- Operations and performance improvement
- Self-insured medical and PBM claim audits
- Cybersecurity and network vulnerability assessments
- Digital transformation
- Fraud risk assessment and investigations
- Strategic, financial, and operational consulting
- Outsourced accounting and public administration
- Strategic, business, and capital planning
- Organizational and financial health assessment
- Training and educational seminars
- Telecom cost savings assessments

We pride ourselves on taking the initiative to meet each and every need of our clients, and therefore are always prepared to take on additional projects. However, independence is our first concern when providing additional services. Independence can easily become impaired when providing consulting services; therefore, we do not provide any services to our audit clients beyond those allowed.



29. Invoices and Payment Terms

CLA confirms and acknowledges that periodic progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with CLA's dollar cost proposal. Interim billings shall cover a period of not less than one calendar month.

Additional terms of payment

Our invoices for these fees will be rendered in a manner consistent with our Statement of Work and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full.



January 7, 2026

COPY

Technical proposal to provide professional auditing services to:

City of Douglas, Arizona

Prepared by:

Jean Marie Dietrich, CPA, Principal

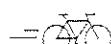
jean.dietrich@CLAnet.com

Direct 602-604-3550

CLAnet.com

CPAs | CONSULTANTS | WEALTH ADVISORS

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



©2026 CliftonLarsonAllen LLP



CliftonLarsonAllen LLP
CLAconnect.com

January 7, 2026

Alejandro Martinez, Finance Director/City Treasurer
City of Douglas Arizona
c/o Accounts Payable
425 East 10th Street
Douglas, AZ 85607

Dear Mr. Martinez:

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

General requirements

CLA confirms and acknowledges that the purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Douglas in conformity with the requirements of this request for proposal. As such, it is understood that the substance of proposals will carry more weight than their form or manner of presentation. The proposal demonstrates the qualifications of CLA and of the particular staff to be assigned to this engagement. It also specifies an audit approach that will meet the request for proposal requirements.

It is additionally understood that the proposal should—and does—address all the points outlined in the request for proposal (excluding any cost information, which has only been included in the sealed dollar cost proposal). The proposal has been prepared simply and economically, and provides a straightforward, concise description of CLA's capabilities to satisfy the requirements of the request for proposal. Finally, it is confirmed and acknowledged that while additional data may be presented, the following subjects (items 18 through 29) are required and represent the criteria against which the proposal will be evaluated.

Acknowledgement of addenda

CLA acknowledges that we have not received any amendments/addenda to the Request for Proposal (RFP) number 2026-F-004 issued by the City of Douglas. Our proposal submission is based on the original RFP documents provided.

Why CLA?

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

- **Industry-specialized insight and resources** – As one of the nation's leading professional services firms, and one of the largest firms who specialize in regulated industries, CLA has the experience and resources to assist the City with their audit needs. In addition to your experienced local engagement team, the City will have access to one of the country's largest and most knowledgeable pools of regulated industry resources.

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

Additionally, as our industry changes, we want to make you aware of other ways we're working to distinguish ourselves from the larger firms.

- **Legacy of independence** – We believe in the power of the partnership business model. As one of the nation's largest independent professional services firms — with more than 100 years of legacy services now in our eighth generation of ownership — we proudly remain privately held, self-funded, and committed to not accepting private equity investment. While many firms in our industry have sought outside investment, CLA finances its own growth, technology, and succession, with a clear eye on creating opportunities for future generations. Our independent spirit preserves our values of integrity and transparency and helps us maintain our clear focus on providing impeccable client service.
- **Offshoring** – At CLA, independence isn't just a business model — it's a mindset. As a privately held, partnership-based firm, we're proud to say we do not offshore any work at CLA. Built entirely in the United States, our structure enables us to prioritize culture, community, and client service over outside capital. We serve our clients as neighbors, and our commitment to keeping jobs local reflects that. In order to serve clients as the pipeline of accountants is strained, CLA launched an innovative program called the CLA Academy in 2024, offering training and certification in accounting, tax, auditing, and financial systems to individuals who may not have thought they had a career path in professional services. We believe the future of our profession means attracting a previously untapped talent base.

We want to serve the City of Douglas, and we have the qualifications to deliver quality, timely work. Throughout this proposal, we take you on a journey outlining how we'll work together and the value you can come to appreciate when we exceed expectations.

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

Sincerely,

CliftonLarsonAllen LLP

Jean Marie Dietrich, CPA
Principal
602-604-3550
jean.dietrich@CLAnet.com

Table of Contents

| | |
|---|-----------|
| 18. Independence | 5 |
| Firm Independence..... | 5 |
| Professional relationships..... | 5 |
| Written notice of professional relationships..... | 5 |
| 19. License to Practice in Arizona..... | 6 |
| 20. Firm Qualifications and Experience | 7 |
| Size of CLA..... | 7 |
| Size of governmental audit staff..... | 7 |
| Location of the office from which the work on this engagement is to be performed | 7 |
| Number and nature of professional staff to be employed on this engagement | 8 |
| Joint venture..... | 8 |
| Quality control procedures and peer review report | 8 |
| Federal or state desk or field reviews | 10 |
| Professional ethics and regulatory issues or complaints against CLA..... | 10 |
| State and local government experience..... | 10 |
| Single audit experience..... | 12 |
| Certificate of achievement assistance..... | 13 |
| No record of substandard work..... | 13 |
| 21. Partner, Supervisory, and Staff Qualifications and Experience | 14 |
| Staff assigned to the engagement..... | 14 |
| Continuing education program..... | 16 |
| Additional information regarding experience of each proposed team member | 16 |
| How the quality of the staff over the term of the agreement will be assured | 17 |
| Extent to which staff assigned reflect the City's commitment to Affirmative Action..... | 17 |
| Right to approve or reject replacements | 17 |
| 22. Similar Engagements with Other Government Entities..... | 18 |
| 23. Specific Audit Approach..... | 19 |
| Proposed segmentation of the engagement..... | 19 |
| Level of staff and number of hours to be assigned | 26 |
| Sample size and statistical sampling..... | 26 |
| Type and extent of use of EDP software in the engagement | 27 |
| Type and extent of analytical procedures | 27 |
| Approach to understanding internal processes and controls | 29 |
| Approach in determining laws and regulations subject to audit test work | 30 |
| Approach in drawing audit samples for purposes of tests of compliance | 30 |
| 24. Identification of Anticipated Potential Audit Problems | 31 |
| Anticipated potential audit problems | 31 |
| Approach to resolving issues | 31 |
| Special assistance that will be requested from the City of Douglas..... | 31 |
| Mandatory Elements and Other Required Documentation | 32 |
| Compliance matrix..... | 32 |
| Forms..... | 33 |
| Appendix | 43 |
| A. Your service team biographies | 43 |
| B. Financial ability to perform the contract..... | 59 |



18. Independence

Firm independence

CLA is not aware of any current or potential relationships that may threaten our independence of the City under the American Institute of Certified Public Accountant's Code of Professional Conduct and its interpretations and the U.S. Government Accountability Office's Government Auditing Standards and/or the U.S. Department of Labor's 29 CFR2509.2022-01 Interpretive Bulletin and/or the independence rules of the Public Company Accounting Oversight Board (PCAOB) and/or the U.S. Securities and Exchange Commission. Our firm-wide quality control policies and procedures foster strict compliance with these professional standards. In addition, the individuals assigned to your engagement are independent of the City.

Conflict of interest

CLA is not aware of any existing or potential conflict of interest matters that would prohibit the performance of this engagement. Additionally, **CLA has no conflict of interest with regard to any other work performed by the firm for the City of Douglas.**

Professional relationships

CLA has no known previous relationships involving the City of Douglas for the past five (5) years.

Written notice of professional relationships

CLA will give the City written notice of any professional relationships entered into during the period of this agreement.



19. License to Practice in Arizona

CLA is licensed to practice public accounting in the state of Arizona. Additionally, all assigned key professional staff are licensed certified public accountants. A majority of states, including Arizona, have adopted mobility legislation – which is a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside of their principal place of business without obtaining another license.

All assigned professional staff have complied with governmental qualification standards, including governmental continuing education requirements.

Directory Parameters

A "registrant" means any certified public accountant (CPA) or CPA firm. This directory only lists registrants that the Board is currently regulating or has regulated in the last ten years. Please read the

 [Status Definitions](#) to learn which statuses are regulated and which are not. Individuals and firms are separately regulated so a search of both, if applicable, is more complete. To inquire about registrants that have not been regulated in over ten years or to inquire about any disciplinary action older than five years, please call our office at (602) 364-0804 or send an email to Info@azaccountancy.gov. Registrants may practice in states other than Arizona and [CPA Verify](#) may be an additional resource.

Column Interpretations

Name / Address – Registrants are listed by their individual or firm name (not necessarily legal name) as they are currently registered with the Board. A registrant must notify the Board of any change in name or address of record which could be either residential or business within 30 days.

Status / Status as of – The Status is the registrant's current standing with the Board effective since the "Status as of" date and does not reflect any board actions prior to that date. For instance, a currently held "active" type of certificate/registration may have been on "probation" or "suspension" previously.

Registration Due – If the entry has a date, the firm's registration needs to be renewed by the last day of the month and year shown. If the entry is an asterisk (*), the firm's registration needs to be renewed at the same time the individual's CPA certificate is renewed on the last day of the month and year shown. A postmark is not evidence of timely filing. If the entry is N/A, it is because the individual is no longer

<https://www.azaccountancy.gov/CPADirectory/FirmDirectory.aspx?category=pAR8UD%2b90GlwwjVkt7wG0q8mCkWwyZGx0TbkQV9p7%2bo%3d&se...>

1/2

12/31/25, 4:31 PM

Firm Directory

regulated. If the entry displays Call 602.364.0804, it is because the Board's database lacks the requisite information to automatically compute the registration date and manual review and analysis is required.

| Registration # | Issued | Firm Name | Status | Status as of | Registration Due | City | State | Orders |
|----------------|------------|------------------------|--------|--------------|------------------|---------|-------|--------|
| 2719 | 12/05/2005 | CLIFTONLARSONALLEN LLP | Active | 12/26/2005 | 12/2027 | Phoenix | AZ | |

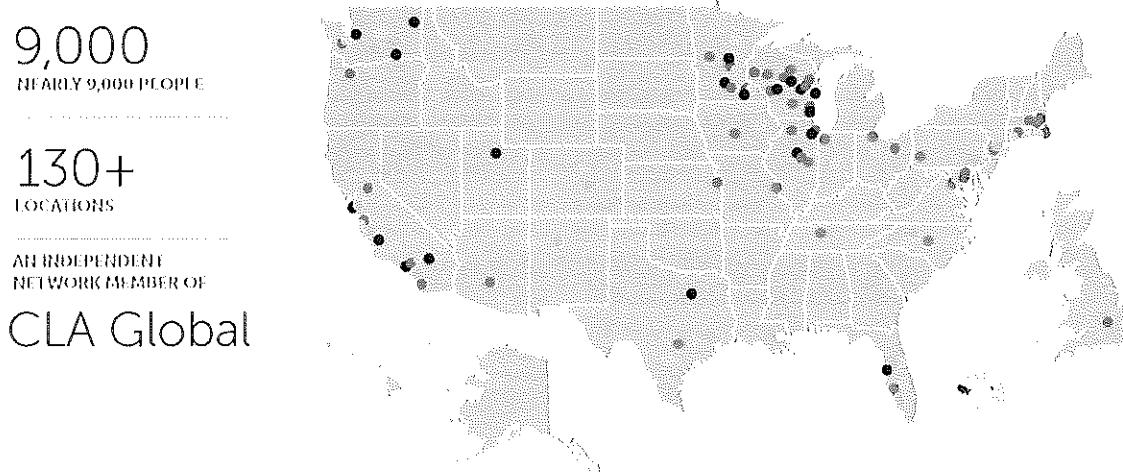


20. Firm Qualifications and Experience

Size of CLA

CLA exists to create opportunities for our clients, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. Our broad professional services allow us to serve clients more completely — from startup to succession and beyond.

Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. **With nearly 9,000 people in more than 130 U.S. locations and a global vision, we promise to know you and help you.**



It takes balance™

With CLA by your side, you can find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go. CLA has been recertified as a Great Place to Work™ in January 2025.



Size of governmental audit staff

With more than 700 professionals dedicated to our state and local government practice, CLA has one of the largest governmental audit and consulting practices in the country and brings extensive experience providing a variety of such services to state and local government entities. Our state and local government team serves more than 3,700 governmental engagements nationwide, including numerous cities, counties, municipalities, states and state agencies, and school boards. In addition, we perform single audits for hundreds of organizations annually (1,701 according to the most recent Federal Audit Clearinghouse data), ranking top in the nation for the number of single audits performed by any CPA firm.

Location of the office from which the work on this engagement is to be performed

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

The City will be served by an industry-specialized engagement team located in our Phoenix office at 20 East Thomas Road, Suite 2300, Phoenix, AZ 85012-3111. Additional support from our Albuquerque office as well.



Number and nature of professional staff to be employed on this engagement

The table below provides a breakdown by staff level and denotes full- or part-time status of the engagement team that will serve the City. This team has extensive experience working with clients similar to the City.

| Level of Staff | Full-Time Staff | Part-Time Staff |
|------------------|-----------------|-----------------|
| Principal | 1 | 3 |
| Director/Manager | 1 | 1 |
| Senior | 1 | 0 |
| Associate | 3 | 0 |
| Total | 6 | 4 |

Joint venture

We are not a joint venture or alliance of firms. We have the capability to provide all services outlined in the proposal, including Information Technology services.

Quality control procedures and peer review report

In the most recent peer review report, dated November 2025, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page. **This quality control review included a review of specific government engagements.**

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

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.





Report on the Firm's System of Quality Control

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

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended May 31, 2025. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2025, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency/ies*, or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Atlanta, Georgia
November 6, 2025



Federal or state desk or field reviews

From time to time, CLA will be subject to federal and state desk reviews by oversight agencies. In addition, our government audits are subject to review by each agency's Office of Inspector General, as well as the U.S. Government Accountability Office. In all cases, we cooperate in providing the information required for the reviews and will timely resolve all findings identified in those reviews.

Professional ethics and regulatory issues or complaints against CLA

From time to time, individuals in the firm are parties to an inquiry from a regulatory or ethics body. In all cases the individual, with the firm's backing, shall cooperate in providing the information required to respond appropriately to the inquiry.

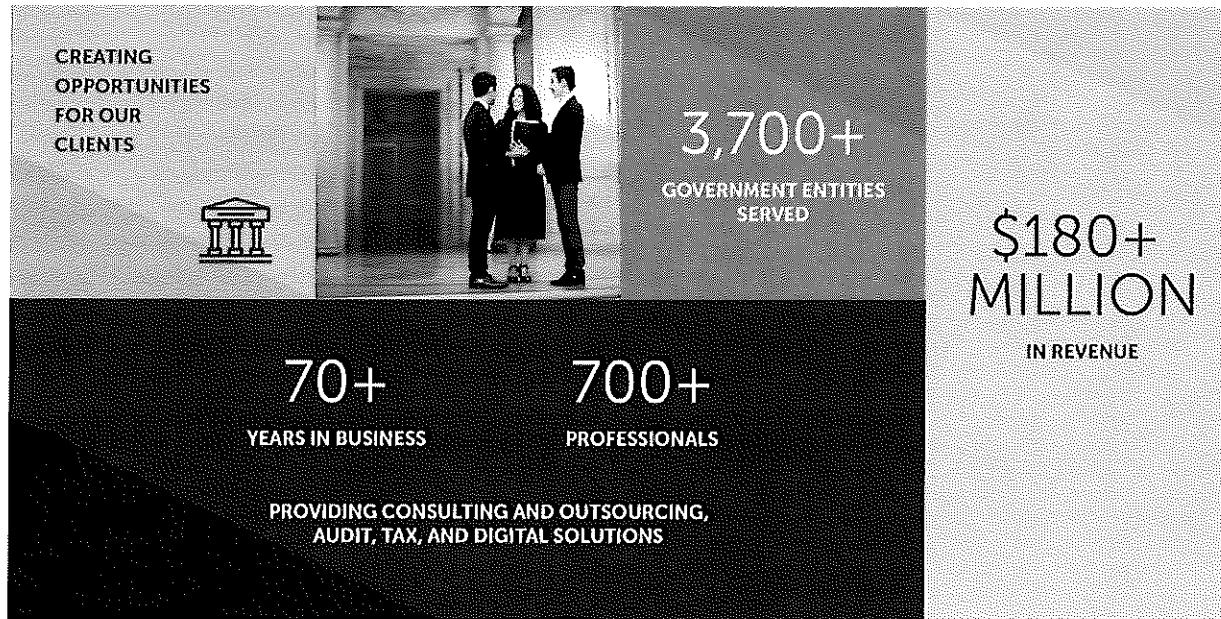
The firm and professionals within the firm presently do not have any regulatory or ethics inquiries outside the normal course of our practice.

State and local government experience

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

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

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

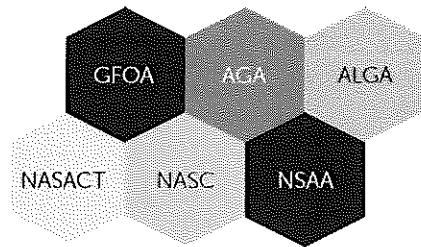


Deep industry connections

CLA actively supports industry education as a thought leader and industry speaker. We focus on supporting the educational needs of the industry through nationally sponsored trade events. Our team of professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations.

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

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

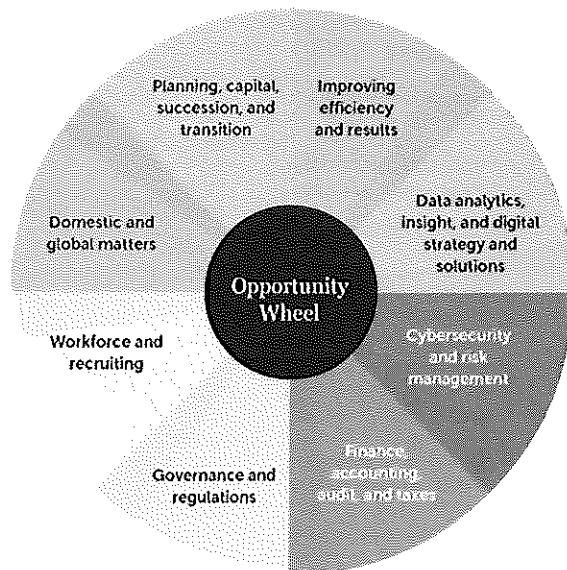


Our involvement in these professional organizations, combined with various technical services we subscribe to, allows us to be at the forefront of change in the constantly changing government environment. We take our responsibility for staying current with new accounting pronouncements, auditing standards,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

Support at every turn

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

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

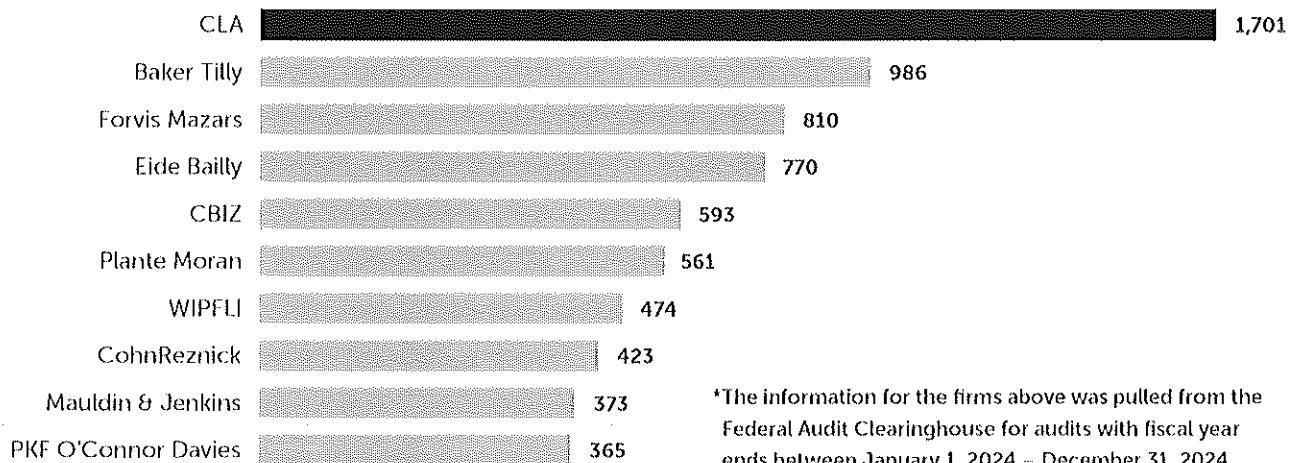


Single audit experience

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

We audited \$249 billion dollars in federal funds expended in 2024. The chart below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving the government and nonprofit industry.

NUMBER OF SINGLE AUDITS PERFORMED*



*The information for the firms above was pulled from the Federal Audit Clearinghouse for audits with fiscal year ends between January 1, 2024 – December 31, 2024.

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

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

Single Audit Resource Center (SARC) award

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

The survey queried more than 9,000 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2024 fiscal year-end audit. The SARC award demonstrates CLA's dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.



Certificate of achievement assistance

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

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

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

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

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

No record of substandard work

CLA affirms that it does not have a record with any professional oversight board with violations of substandard audit work and is in compliance with applicable requirements for peer review and professional continuing education.



21. Partner, Supervisory, and Staff Qualifications and Experience

Staff assigned to the engagement

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

Meet your service team below.

| Engagement Team Member | Role | CPA License | Years of Experience |
|---|---|-------------|---------------------|
| Jean Marie Dietrich, CPA <i>Principal</i> | <p><i>Engagement principal</i> – Jean will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. She is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.</p> | Arizona | 17 |
| Matt Bone, CPA, CGFM, CGMA <i>Managing Principal</i> | <p><i>Managing principal of office</i> – Matt is the managing principal of the Albuquerque office and helps to make sure your local office has the necessary resources to serve the City at the level expected at CLA.</p> | Mobility* | 20 |
| Lupita Martinez, CPA <i>Principal</i> | <p><i>Technical resource principal</i> – Lupita will be the technical resource for the audit team as well as City personnel. Her many years of experience serving governmental entities will be an invaluable resource.</p> | Arizona | 30 |
| Anita Supinski, CPA <i>Principal</i> | <p><i>Quality assurance principal</i> – Anita will complete the quality review of all work performed and of all audit reports prior to issuance. The focus of this review is to confirm adherence to industry and firm quality control guidelines and to make sure the work performed supports the audit opinions issued.</p> | Mobility* | 36 |



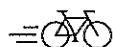
| Engagement Team Member | Role | CPA License | Years of Experience |
|--|---|-------------|---------------------|
| Mitchell Hagensen <i>Senior</i> | Engagement leader – Mitchell will act as the leader of this engagement. In this role, he will assist the engagement principal with planning the engagement and performing complex audit areas. He will perform a technical review of all work performed and is responsible for the review of the annual comprehensive financial report and all related reports. | In progress | 4 |
| Dristan Bahe <i>Senior</i> | Information systems lead – Michael will serve as the Information Technology (IT) and General Control systems resource. He will perform a review of Information Systems (IS) controls to conclude whether they are properly designed and operating effectively. For IS-related controls that we deem to be ineffectively designed or not operating as intended, he will communicate our findings and will provide recommendations to improve internal controls. | In progress | 4 |
| Michael S. Nyman, CPA, CISA, CISSP, CITP, CRISC <i>Director</i> | Information systems support – Lin will assist Michael in documenting and evaluating general computer controls and IT application controls. | Arizona | 25 |
| Lin Feng, CISA <i>Director</i> | | N/A | 6 |

Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients.

* A majority of states, including Arizona, have adopted mobility legislation – which is a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside of their principal place of business without obtaining another license. All assigned professional staff have complied with governmental qualification standards, including governmental continuing education requirements.

Personnel available for technical consultation

Any of the above and aforementioned staff will be available for technical consultation as needed. We strive to respond to calls and emails from your leadership, board, or management in hours—not days—to provide effective and timely communication.



Continuing education program

To maintain and expand our assurance knowledge, we consistently provide continuing education for our professionals. Each member of our professional team, including principals, attends accredited continuing professional education (CPE) annually. Individuals are required to familiarize themselves with all current changes in standards and procedures. Updated information on recent changes in technical standards and regulations, as well as the firm's professional policies and procedures, is distributed to our team members on a regular basis.

CLA professionals are specifically trained on topics specific to the client industry they work in.



CLA's firm-wide training programs include:

- **Learn**—Designed for new CLA associates, this learning is typically attended in the first year of employment. This internally developed and presented training focuses on preparing new hires and interns to understand and perform their role in the audit process. Providing a combination of an introduction to CLA strategy, business risk and independence with audit theory using hands-on exercises and simulations to introduce our audit methodology, tools, and software. Specific audit areas covered include audit planning, cash, fixed assets, accounts payable, prepaids, documentation, and materiality.
- **Experience**—Designed for the CLA associate with about one year of experience, this learning is typically attended in the second year of employment. This training focuses on topics including analytics, sampling, internal controls, walkthroughs, analytical tools, and professional skepticism.
- **Achieve**—Designed for the CLA associate with about two years of experience, this learning is typically attended in the third year of employment. This internally developed and presented training focuses on leadership and performance management of audit engagements utilizing CLA audit methodology from the perspective of the experienced in-charge. Topics covered include detailed review, risk assessment, analytical tools, and professional skepticism.
- **Propel**—Designed for the CLA associate with about three years of experience, this learning is typically attended in the fourth year of employment. This training focuses on risk assessment, effective use of tools and programs, auditing complex areas, and professional skepticism.

Additional information regarding experience of each proposed team member

See *Appendix A. Your service team biographies* for information regarding the number, qualifications, experience, training, and relevant continuing professional education of the specific staff to be assigned to this engagement.



How the quality of the staff over the term of the agreement will be assured

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

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

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.

Extent to which staff assigned reflect the City's commitment to Affirmative Action

CLA exists to create opportunities for our clients, our people, and our communities. We foster and promote a culture of Connection and Belonging where CLA family members can build inspired careers.

We are committed to providing equal employment opportunities without regard to race, creed, color, religion, sex (including pregnancy, childbirth, and medical conditions related to pregnancy, childbirth, or breastfeeding), sex stereotyping (including assumptions about a person's appearance or behavior, gender roles, gender expression, or gender identity), gender, age, national origin, citizenship status, ancestry, mental or physical disability, intellectual disability, military service, protected veteran status, genetic information, medical condition, sexual orientation, gender identity, gender expression, natural hairstyle, marital status, sexual and reproductive health choices or any other characteristic protected by federal, state or local law. We interpret these protected statuses broadly to include both the actual status and also any perceptions and assumptions made regarding these statuses.

Right to approve or reject replacements

Engagement principals, managers, other supervisory staff, and professionals may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City. In all instances, the City would retain the right to approve or reject replacements.

Consultants and firm specialists mentioned in the response to this request for proposal may be changed with express prior written permission of the City, which retains the right to approve or reject replacements.

Any other audit personnel may be changed at the discretion of the proposer, provided that replacements have substantially the same or better qualifications or experience.



22. Similar Engagements with Other Government Entities

The below table lists the five most significant engagements that CLA has performed within the last five years that are similar to the engagement described in this RFP ranked by total hours.

| Client Name and Dates of Service | Scope of Work | Engagement Partners | Total Hours | Client Contact |
|--|---|---------------------|-------------|---|
| City of Mesa, AZ <i>2008 – Present</i> | Financial statement audit, single audit, AELR, HURF, and HUD REAC submissions | Jean Marie Dietrich | 1,200 | Irma Ashworth, Finance Director 480-644-2605 irma.ashworth@mesaaz.gov |
| City of Glendale, AZ <i>2019 – Present</i> | Financial statement and single audit, AELR, HURF, and HUD REAC submissions | Jean Marie Dietrich | 1,200 | Levi Gibson, Budget and Finance Director 623-930-2268 lgibson@glendaleaz.com |
| Town of Queen Creek, AZ <i>2014 – Present</i> | Financial statement and single audit, AELR, and HURF | Jean Marie Dietrich | 500 | Scott McCarty, Finance Director, Chief Financial Officer 480-358-3000 scott.mccarty@queencreek.org |
| City of Sedona, AZ <i>2019 – Present</i> | Financial statement and single audit, AELR, HURF, and ACFR preparation | Lupita Martinez | 400 | Renee Stanley, Accounting Supervisor 925-203-5022 rstanley@sedonaaz.gov |
| City of Nogales, AZ <i>2009 – Present</i> | Financial statement and single audit, HURF and AELR | Jean Marie Dietrich | 400 | Jean Moehlman, Finance Director 520-287-6571 jmoehlman@cityofnogales.net |

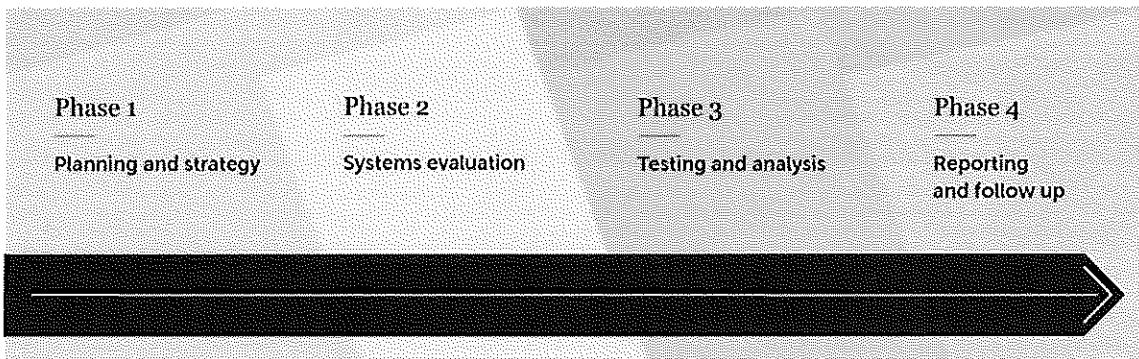


23. Specific Audit Approach

The following sets forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference has been made to such sources of information as the City of Douglas' budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposed segmentation of the engagement

Financial statement audit approach



Phase 1: Planning and strategy

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

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



We will document our planning through:

- **Entity profile** — This profile will help us understand the City's activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** — These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.
- **General risk analysis** — This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.
- **Account risk analysis** — This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by client listing** — This document will contain a listing of schedules and reports to be prepared by City personnel with due dates for each item.
- **HQ Exchange** — HQ Exchange is where your engagement lives. It creates clarity and accountability by making every step of the process visible to you, from initial planning through final delivery. By using HQ Exchange across all CLA service lines, we bring a consistent way of working — reducing the need for duplicate conversations and helping prevent things from getting lost between teams. For you, this means fewer surprises, faster answers, and confidence that your entire CLA team is aligned and working toward the same goals. Even with many professionals involved, HQ Exchange makes the experience feel seamless, collaborative, and transparent.

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

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

Phase 2: Systems evaluation

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

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

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



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

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

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

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

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

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

Phase 3: Testing and analysis

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

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

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



Phase 4: Reporting and follow up

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

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

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

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

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

Elevating with artificial intelligence (AI)

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

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

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

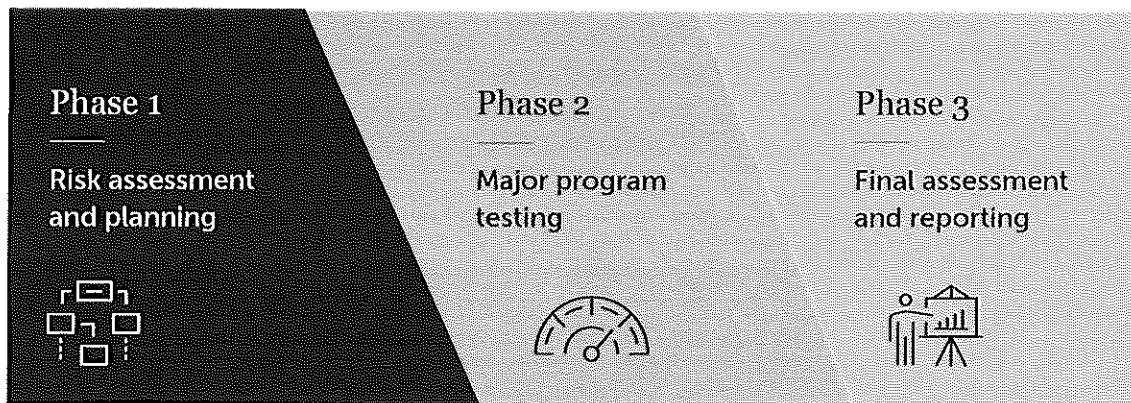


Single audit approach

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

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

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



Phase 1: Risk assessment and planning

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

We will accomplish this by following the methodology below:

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

Phase 2: Major program testing

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

To accomplish this, we will perform the following:

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

Phase 3: Final assessment and reporting

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

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

- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Perform compliance testing at the entity wide level related to procurement and cash management requirements
- Perform testing to validate the status of prior year findings for those programs not selected for audit
- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the City's management to review drafts of required reports:
 - Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in accordance with *Government Auditing Standards*
 - Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

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

Communication process

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



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

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

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

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

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



Level of staff and number of hours to be assigned

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

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

| Audit Hours | | | | | |
|---------------------------|------------------------------|-------------------|------------|------------|------------|
| Engagement Segment | Principal/Technical Director | Manager/ Director | Senior | Associate | Total |
| Financial Statement Audit | 16 | 30 | 130 | 130 | 306 |
| Single Audit | 4 | 10 | 12 | 14 | 40 |
| Total | 20 | 40 | 142 | 144 | 346 |

Sample size and statistical sampling

We follow the guidance of AU-C Section 530, Audit Sampling, which allows the use of a statistical or nonstatistical sampling approach. We use quality control material in all our audit engagements. These AU-C Section 530 – “Audit Sampling” forms guide our staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing.

Sample sizes will vary depending on the nature of the testing (controls versus substantive) and the size of the population being sampled. Sampling techniques are utilized in compliance and internal control testing, as well as substantive testing of certain asset and liability account balances. Sample sizes used for internal control testing depend on a number of factors, namely the number of expected or actual control deviations, size of population, and level of control assurance anticipated. Sample sizes typically range from 22 to 77 for populations greater than 200.

To illustrate, if no internal control deviations are anticipated and the frequency of the population (i.e., the number of times the control is performed in a given year) is 100, then we will test 10 transactions in order to obtain moderate control assurance. If one internal control deviation is anticipated, and the frequency of the population is greater than 200, then we will test 77 transactions in order to obtain low control assurance. We are usually able to cover a substantial portion of the compliance and controls testing with one sample, resulting in a very efficient approach.



Type and extent of use of EDP software in the engagement

We use TeamMate as an analysis and data extraction tool to perform analytical procedures and assist in substantive testing. Rather than performing random sampling, TeamMate allows us to analyze 100% of transactions and focus on outliers. TeamMate can provide a detailed review of cash disbursements, payroll payments, and journal entries and help us offer valuable and actionable insights into your operations.

Type and extent of analytical procedures

Preliminary analytical procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. These procedures will focus on enhancing our understanding of the financial results. These procedures are also used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.

In performing our substantive testing, our audit efficiency initiative provides that we first think analytically. By doing this, we can better understand the specific account balance being tested and determine if the current balance or relationship with other account balances appears reasonable. We will also employ analytical testing on smaller and/or lower risk accounts and cycles when determined to be efficient and effective.

Data analytics

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

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

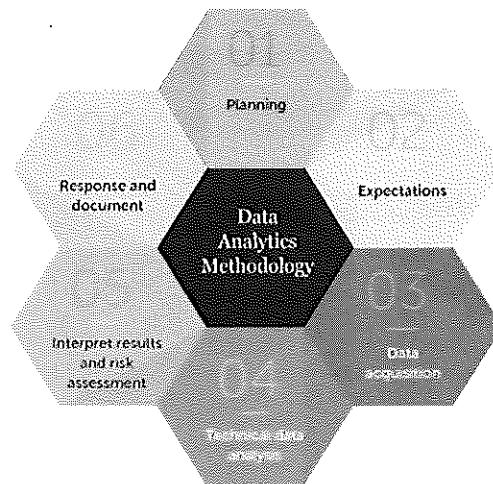
The phases in our data analytics process are as follows:

1. Planning

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

2. Expectations

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



3. Data acquisition

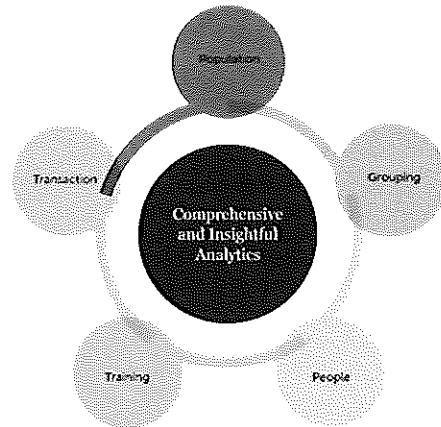
Sufficient planning, a strong initial risk assessment, and an adequate understanding of your systems will serve as the foundation necessary to prepare our draft data request list. We will initially request information in written format and conduct follow-up conversations helping CLA practitioners share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

4. Technical data analysis

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

5. Interpret results and subsequent risk assessment

Trends and anomalies will be identified through the performance of the above referenced analytics. Comments regarding the interpretation of those trends and anomalies will be captured. When trends are identified, they are reconciled against expectations. For anomalies identified, the approach to further audit procedures will be considered.



6. Response and document

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

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

Approach to understanding internal processes and controls

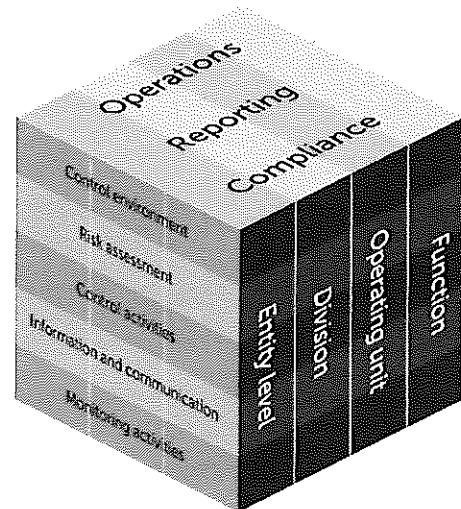
We understand changing audit firms would require a new set of auditors to develop an understanding of the City, operations, and system of internal control. We also strive to develop our understanding in the least intrusive manner possible, while still maintaining our professional responsibilities. We would utilize a combination of internal control forms and interviews with key accounting personnel to gain and document our understanding of the City. We will also use as a baseline any existing internal control processes, policies, organizational charts, etc. the City may have already documented. Walk through procedures are performed for certain controls to evaluate whether the control is effectively designed and determine it has been implemented.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has established a framework for internal control systems. Under the COSO framework, internal control is a process to provide reasonable assurance that those internal objectives, including effectiveness and efficiency of business operations, reliability of financial reporting, and compliance with applicable laws and regulations, will be met, if applicable.

Our audit approach is designed to evaluate and walk through certain internal controls in accordance with COSO concepts. Our procedures include a review of the entity's control environment, risk assessment process, control activities, information and communications relevant to preparation of the financial statements, and monitoring activities of the system of internal control.

During the planning and risk assessment phases of our audit, we will develop our understanding of the City business operations and system of internal control for financial reporting through observation, discussion, and inquiries with management and appropriate personnel. During this phase of the audit, we will review budgets and related materials, organization charts, accounting and purchase manuals, and other systems of documentation that may be available.

Once we understand your operations and system of internal control for financial reporting, we will then identify control objectives for each significant class of transactions, account balances, or disclosures. The next step will be to identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. We will then determine the nature, timing, and extent of our control procedures.



Approach in determining laws and regulations subject to audit test work

We will obtain an understanding of the laws and regulations that impact the City's operations by reviewing applicable meeting minutes to identify any ordinances or resolutions that might have an impact to operations and reporting by the City, as well as interview key personnel and management of the City. The staff assigned to the engagement attend regular trainings and are well versed in relevant federal and state laws and regulations (e.g., *Uniform Guidance*) and proactively discuss any upcoming changes with our clients.

We will also review current operations, contracts, and IGA's that may impact current operations.

Approach in drawing audit samples for purposes of tests of compliance

Because our sample sizes are affected by many variables, a statement about sample sizes cannot be made in absolute terms. However, with regard to sample selection, we will generally utilize representative sampling for internal control and compliance tests, including those related to single audit compliance. Samples will also be used in conjunction with other tests of compliance (e.g., State specific statutes, ordinances, etc.).

In general terms, sample sizes for compliance and controls testing obtained via our guidance usually fall into categories of 25, 40, or 60 depending on circumstances. Where the population being tested is less than 250 items, we will select 10% to 20% of the population. We are usually able to cover a substantial portion of the compliance and controls testing with one sample, resulting in a very efficient approach.



24. Identification of Anticipated Potential Audit Problems

Anticipated potential audit problems

In situations where authoritative guidance on a particular transaction or accounting issue is unclear or subject to interpretation, our approach is to proactively meet with management to discuss the issue and reach a conclusion that is hopefully agreed upon by both parties. We do not have specific firm policies that dictate our conclusions to be reached on all complex accounting issues. Rather, each issue must be evaluated independently by our engagement team. As discussed above, we will not only meet internally, but also facilitate discussion with the City's management team in order to obtain a mutual understanding of the particular accounting issue, determine the applicable authoritative guidance that most closely relates to the issue, and strive to reach an approach agreed upon by both parties. If there remains any ambiguity or disagreement, we can explore other resources that could possibly assist, such as subject matter professionals within the Government Accounting Standards Board staff or the Government Finance Officers Association (GFOA).

Approach to resolving issues

CLA has a formal policy and approach for the resolution of differences of opinions among professional personnel.

Our overall approach is for our professionals to refer to authoritative literature or other sources as appropriate. We also recognize the need for constant exchange of ideas and opinions about technical issues, and it is the firm's policy that all professional personnel seek consultation on a timely basis, within or outside of the firm, whenever differences of opinion occur or uncertainty exists about the answer to a technical question; the application of a professional standard; the application of a rule, regulation, or procedure of a regulatory agency; or the application of a firm policy.

CLA is involved and serves on several standard-setting committees that allow us to be proactive and offer insight on technical matters. That gives us the ability to be practical and thoughtful when helping our clients. We will be upfront and make sure we are helping you to the greatest of our ability in a timely manner.

Special assistance that will be requested from the City of Douglas

We do not foresee needing special assistance from the City of Douglas in order to resolve any anticipated audit problems, apart from what is described above. As always, we will depend on your staff to provide us with as much information as possible in an effort to limit everyone's time on the engagement and, ultimately, to save you money.



Mandatory Elements and Other Required Documentation

Compliance matrix

The following index cross references the evaluation criteria set forth in the RFP to the section where it is addressed in our proposal. In addition to the specific information referenced below, content which demonstrates the value CLA can provide to the City is located throughout the proposal.

| Item | RFP Criteria for Selection | Criteria Met? | Proposal Section Reference |
|---------------------------|---|---------------|---|
| Mandatory Elements | | | |
| a) | The audit firm shall be certified public accountants holding a valid certification in the State of Arizona. | ✓ | <i>19. License to Practice in Arizona</i> |
| b) | The auditor must meet the independence requirements of the American Institute of Certified Public Accountants including the provisions of Interpretation 10 of Rule 101 of the AICPA Code of Professional Ethics and the independence requirements of Government Auditing Standards. | ✓ | <i>18. Independence</i> |
| c) | The audit firm's professional personnel have received adequate continuing professional education within the preceding two years. The senior accountant in charge of the fieldwork shall be a certified public accountant. | ✓ | <i>Appendix A. Your service team biographies</i> AND <i>21. Partner, Supervisory, and Staff Qualifications and Experience, Staff assigned to the engagement</i> |
| d) | The audit organization and the individuals responsible for planning, directing, conducting substantial portions of the fieldwork, or reporting on government audits shall meet the continuing educational requirements of Government Auditing Standards issued by the Comptroller General of the United States. | ✓ | <i>21. Partner, Supervisory, and Staff Qualifications and Experience, Continuing education program</i> AND <i>Appendix A. Your service team biographies</i> |
| e) | The audit organization shall have an appropriate internal quality control system in place and participate in an external quality control review program as required by Government Auditing Standards. | ✓ | <i>20. Firm Qualifications and Experience, Quality control procedures and peer review report</i> <i>20. Firm Qualifications and Experience, Quality control procedures and peer review report</i> AND <i>20. Firm Qualifications and Experience, No record of substandard work</i> |
| f) | The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work. | ✓ | |



| Item | RFP Criteria for Selection | Criteria Met? | Proposal Section Reference |
|--|--|---------------|---|
| g) | The firm has no conflict of interest with regard to any other work performed by the firm for the City of Douglas. | ✓ | <i>18. Independence, Conflict of interest</i> |
| h) | The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal. | ✓ | <i>(Throughout)</i> |
| Technical Qualifications | | | |
| Experience | | | |
| i. | The firm's past experience and performance on comparable government engagements. | | <i>20. Firm Qualifications and Experience, State and local government experience</i> <i>AND</i> |
| ii. | The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation. | | <i>22. Similar Engagements with Other Government Entities</i> |
| Audit Approach | | | |
| i. | Adequacy of proposed staffing plan for various segments of the engagement. | | <i>21. Partner, Supervisory, and Staff Qualifications and Experience, Personnel to be available for technical consultation</i> |
| ii. | Adequacy of sampling techniques. | | <i>23. Specific Audit Approach, Level of staff and number of hours to be assigned</i> |
| iii. | Adequacy of analytical procedures. | | <i>23. Specific Audit Approach, Sample size and statistical sampling</i> <i>AND</i> <i>23. Specific Audit Approach, Approach in drawing audit samples for purposes of tests of compliance</i> |
| <i>23. Specific Audit Approach, Type and extent of analytical procedures</i> | | | |

Forms

Please continue to subsequent pages for additional required documentation.



Federal Certification

GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

Instructions for Certification: By signing and submitting this bid or proposal, the prospective lower tier participant is providing the signed certification set out below.

- (1) It will comply and facilitate compliance with U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 CFR part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement)," 2 CFR part 180,
- (2) To the best of its knowledge and belief, that its Principals and Subrecipients at the first tier:
 - a. Are eligible to participate in covered transactions of any Federal department or agency and are not presently:
 - (1) Debarred,
 - (2) Suspended,
 - (3) Proposed for debarment,
 - (4) Declared ineligible,
 - (5) Voluntarily excluded, or
 - (6) Disqualified,
 - b. Its management has not within a three-year period preceding its latest application or proposal been convicted of or had a civil judgment rendered against any of them for:
 - (1) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction, or contract under a public transaction,
 - (2) Violation of any Federal or State antitrust statute, or
 - (3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making any false statement, or receiving stolen property,
 - c. It is not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in the preceding subsection 2.b of this Certification,
 - d. It has not had one or more public transactions (Federal, State, or local) terminated for cause or default within a three-year period preceding this Certification,
 - e. If, at a later time, it receives any information that contradicts the statements of



subsections 2.a – 2.d above, it will promptly provide that information to FTA,



GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

- f. It will treat each lower tier contract or lower tier subcontract under its Project as a covered lower tier contract for purposes of 2 CFR part 1200 and 2 CFR part 180 if it:
 - (1) Equals or exceeds \$25,000,
 - (2) Is for audit services, or
 - (3) Requires the consent of a Federal official, and
- g. It will require that each covered lower tier contractor and subcontractor:
 - (1) Comply and facilitate compliance with the Federal requirements of 2 CFR parts 180 and 1200, and
 - (2) Assure that each lower tier participant in its Project is not presently declared by any Federal department or agency to be:
 - a. Debarred from participation in its federally funded Project,
 - b. Suspended from participation in its federally funded Project,
 - c. Proposed for debarment from participation in its federally funded Project,
 - d. Declared ineligible to participate in its federally funded Project,
 - e. Voluntarily excluded from participation in its federally funded Project, or
 - f. Disqualified from participation in its federally funded Project, and

3. It will provide a written explanation as indicated on a page attached in FTA's TrAMS platform or the Signature Page if it or any of its principals, including any of its first tier Subrecipients or its Third-Party Participants at a lower tier, is unable to certify compliance with the preceding statements in this Certification Group.

Certification

Contractor

CliftonLarsonAllen LLP (CLA)

Signature of Authorized Official _____ Date ____ / ____ / ____

Name and Title of Contractor's Authorized Official

Jean Marie Dietrich, CPA, Principal



**APPENDIX A
PROPOSER GUARANTEES
AND WARRANTIES**

Part 1

- A. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.
- B. Proposer warrants that it is willing and able to comply with State of Arizona laws with respect to foreign (non-State of Arizona) corporations.
- C. Proposer warrants that it shall procure and maintain the following minimum insurance coverage for the duration of the contract:

Errors and omissions liability insurance with limits of no less than \$1,000,000 per occurrence for the willful or negligent acts or omissions of any officers, employees or agents thereof.

- 2. Workers' compensation insurance with statutory limits.
- D. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City of Douglas.
- E. Proposer warrants that all information provided in connection with this proposal is true and accurate.
- F. Proposer warrants the following by indicating yes or no to the following questions:

Yes - No

- 1. Has the City of Douglas or other governmental entities incurred costs as a result of contested change order (s) from the Proposer?
- 2. Has the City of Douglas or other governmental entities been involved in litigation relative to contract performance with the Proposer?
- 3. Has the Proposer failed to meet bid specifications or time limits on other contracts?
- 4. Has the Proposer abandoned a contract or refused to perform without legal cause after submitting a bid?
- 5. Has the Proposer had bidding errors or omissions in two or more bid submissions within a thirty-six month period?
- 6. Has the Proposer failed to perform or performed unsatisfactory in two or more contracts within a thirty-six month period.



**APPENDIX A
PROPOSER GUARANTEES
AND WARRANTIES**

Part 2

- 7. Does the Proposer have adequate equipment, personnel and expertise to complete the proposed contract?
- 8. Does the Proposer have a record of safety violations in two or more contracts within a thirty-six month period?
- 9. Does the Proposer have a criminal offense as an incident to obtaining or attempting to obtain a public or private contractor subcontract, or in the performance of such a contract or subcontract within a ten-year period?
- 10. Has the Proposer been convicted of a criminal offense within a ten-year period of embezzlement, theft, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which might affect responsibility as a municipal contractor?
- 11. Has the Proposer been convicted of state or federal antitrust statutes within a ten-year period arising out of submission of bids or proposals?
- 12. Has the Proposer been disbarred or otherwise discharged by another governmental entity?

If you answered "yes" to Items 1-6 or 8-12 or answered "no" to Item 7, please attach a full explanation to this questionnaire.

Signature of Official: _____

Name (typed): Jean Marie Dietrich, CPA

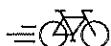
Title: Principal

Firm: CliftonLarsonAllen LLP (CLA)

Firm FEI Number 41-0746749

Firm's Arizona CPA State License Number: 2719

Date: _____



PROPOSER'S OFFER
Professional Auditing Services
RFP NO. 2026-F-004

1. PROPOSAL to the City of Douglas.

In compliance with the Advertisement for Proposal, the undersigned Proposer:

Having examined the contract documents, and being familiar with the conditions to be met and the General and Standard Terms of the contract, hereby submits the following proposal for furnishing the equipment and everything necessary for the completion of the work listed and agrees to execute the contract documents for the prices set forth in our proposal.

Understands that work performed for this project shall be in accordance with all applicable Standard and Technical Specifications except as otherwise identified in proposals.

Agrees that upon receipt of Notice of Award, from the City of Douglas, the bidder will execute the contract documents.

Work shall be completed as scheduled, beginning with the day following the starting date specified in the Notice to Proceed. The time allowed for completion of the work includes lead time for obtaining the necessary material and/or equipment.

2. SUBMITTALS

- a. In order to be considered, proposer must complete and submit their proposal and this form to the City of Douglas, City Clerk's Office, 425 10th Street, Douglas, Arizona 85607, by no later than the opening date and time.
- b. Proposals submitted should include detailed product or service literature, suitable for evaluation by the City. IF THE MATERIAL, EQUIPMENT, OR SERVICE YOU INTEND TO OFFER HAS SIGNIFICANT VARIATIONS FROM THE SPECIFICATIONS STATED IN THIS REQUEST FOR PROPOSAL, PLEASE LIST EXCEPTION ON SEPARATE SHEET OR IN PROPOSAL SUBMITTED.
- c. Proposers will also submit with their proposal a list of ANY EXCEPTIONS TO THE STANDARD TERMS AND CONDITIONS, THE GENERAL TERMS AND CONDITIONS OR THE SPECIAL CONDITIONS AND INSTRUCTIONS of the Request for Proposal.
- d. Payment Terms: Bidder offers a prompt payment discount of 0 % PROXIMO or — days, to apply after receipt of invoice or final acceptance of the products, whichever is later. If no prompt payment discount is offered, enter 0 in the % space to indicate net 30 days.
- e. Upon request, two (2) copies of the Bidder's most current audited financial statements and two (2) copies of a complete description of Bidder's facility including, but not limited to, plant and service areas in square feet shall be submitted for Owner's review.

- f. The City will not be responsible for any Proposer's errors or omissions.
- g. This shall be an irrevocable offer for a period of 90 calendar days from the proposal opening date.
- h. Proposers should submit the original proposal plus three (3) copies to the City for evaluation.

CERTIFICATIONS

- a. In the event only one proposal is received, the City may require that the Proposer submit a cost proposal in sufficient detail for the City to perform a cost/price analysis to determine if the proposal is fair and reasonable.
- b. Proposer certifies it is a: Proprietorship _____; Partnership ; Corporation _____; Municipality _____
- c. Arizona Sales/Use Tax No. S5000176
- d. City of Douglas Sales Tax No. S5000176
- e. EIN or Social Security No. 41-0746749
- f. Proposer certifies that he has read, understands, and will fully and faithfully comply with this, its attachments and any referenced documents. Proposer also certifies that the prices offered were independently developed without consultation with any of the other proposers or potential proposers.

Signature of Official: _____

Name (typed): Jean Marie Dietrich, CPA

Title: Principal

Firm: CliftonLarsonAllen LLP (CLA)

Date: _____

4. REFERENCES

Submit three (3) references, which your firm has provided Auditing Services.

1. Name of Firm: City of Mesa, AZ

Contact Person: Irma Ashworth, Finance Director

Phone Number: 480-644-2605



| | |
|------------------|---|
| Company Address: | <u>20 East Main Street, Mesa, AZ 85201</u> |
| 2. Name of Firm: | <u>Town of Queen Creek AZ</u> |
| Contact Person | <u>Scott McCarty, Finance Director, Chief Financial Officer</u> |
| Phone Number: | <u>480-358-3000</u> |
| Company Address: | <u>22350 South Ellsworth Road, Queen Creek, AZ 85142</u> |
| 3. Name of Firm: | <u>City of Glendale, Arizona</u> |
| Contact Person: | <u>Levi Gibson, Budget and Finance Director</u> |
| Phone Number: | <u>623-930-2268</u> |
| Company Address: | <u>lgibson@glendaleaz.com</u> |



**AFFIDAVIT BY VENDOR
CERTIFYING THAT THERE WAS
NO COLLUSION IN RESPONSE
TO SOLICITATION**

STATE OF ARIZONA)
CITY OF)
)

Jean Dietrich, CPA, Principal
(Name of Individual)

BEING DULY SWORN, DEPOSES AND SAYS:

That she is Principal
(Title)

of CliftonLarsonAllen LLP (CLA)
(Name of Business)

That Pursuant to Section 34-253 of the Arizona Revised Statutes, she certifies as follows:

That neither he nor anyone associated with said

CliftonLarsonAllen LLP (CLA)
(Name of Business)

has directly, or indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this project.

Principal

(Title)

CliftonLarsonAllen LLP (CLA)
(Name of Business)

Subscribed and sworn to before me this _____ day of _____ 20____

My commission Expires:

(Notary Public)



Appendix

A. Your service team biographies





Jean Marie Dietrich, CPA

CLA (CliftonLarsonAllen LLP)

Principal
Phoenix, Arizona

602-604-3550
jean.dietrich@CLAAconnect.com



Profile

Jean is an assurance principal in our state and local government group and has performed various engagements including audits of nonprofits and state and local governments, reviews, compilations, agreed-upon procedures and consulting services, and has prepared and reviewed tax returns for nonprofit organizations. Jean's more than 17 years of public practice has been focused on audits of Arizona government and nonprofit organizations including Arizona governments through ASBO (school districts and charter schools) and GFOA (cities and towns).

Technical experience

- Financial statement audits
- Single audits in accordance with *Uniform Guidance*
- Compliance audits
- Agreed-upon procedures

Education and professional involvement

- Bachelor of science in accounting from the University of Arizona, Tucson, Arizona
- American Institute of Certified Public Accountants
- Certified Public Accountant in the state of Arizona
- Arizona Society of Certified Public Accountants (ASCPA)
- Government Finance Officers Association

Speaking engagements

- Instructor for CLA internal trainings



Key relevant clients

- City of Phoenix
- City of Mesa
- City of Sedona
- Tempe Union High School District No. 213
- Madison Elementary School District No. 38
- Maricopa County Risk Management and Employee Benefits Trust
- Tempe Elementary School District No.3
- Arizona Power Authority
- Arizona Commerce Authority
- Industrial Development Authority of the City of Phoenix
- Industrial Development Authority of the County of Maricopa
- Arizona PBS, KAWC, KBAQ, KJZZ
- Payson Unified School District
- Phoenix-Mesa Gateway Airport Authority
- League of Arizona Cities and Towns
- Central Arizona Water and Conservation District
- Coconino County

Continuing professional education

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

CLAcconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

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





Matt Bone, CPA, CGFM, CGMA

CLA (CliftonLarsonAllen LLP)

Managing Principal
Albuquerque, New Mexico

505-222-3575
matthew.bone@CLAnet.com



Profile

Matt is the managing principal of office for New Mexico. He specializes in providing governmental auditing, accounting, and consulting services and has more than 20 years of experience in accounting and business management.

Technical experience

- Government audits
- Compliance audits
- Federal grant financial and compliance audits

Education and professional involvement

- Master of business of administration from University of New Mexico, Albuquerque, New Mexico
- American Institute of Certified Public Accountants
- New Mexico Society of Certified Public Accountants
- Association of Government Accountants, *Albuquerque chapter president (former)*
- Certified Public Accountant
- Certified Government Financial Manager
- Chartered Global Management Accountant
- Experience as a New Mexico Chief Procurement Officer



Key relevant clients

- New Mexico Public Employees Retirement Association
- Seattle Deferred Compensation Plan
- New Mexico Education Trust Board
- New Mexico Department of Game and Fish
- New Mexico Department of Veterans' Services
- Albuquerque Public Schools
- Las Cruces Public Schools
- State of New Mexico Statewide Annual Financial Report
- New Mexico Department of Finance and Administration
- Environment Department of New Mexico
- New Mexico State Investment Council
- New Mexico Department of Health
- New Mexico Department of Workforce Solutions
- New Mexico Public Education Department

Honors/awards

- 2015 Albuquerque Business First "40 Under Forty" honoree

Continuing professional education

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

CLAnet.com

CPAS | CONSULTANTS | WEALTH ADVISORS

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





Guadalupe "Lupita" Martinez, CPA

CLA (CliftonLarsonAllen LLP)



Principal
Phoenix, Arizona

602-604-3252
lupita.martinez@CLAnet.com

Profile

Lupita has more than 30 years of experience as a financial professional, including 21 years of public accounting experience, 12 of those years with a Big Four accounting firm, and 11 years of experience working as a CFO with a Tribal government. She has conducted numerous financial statement audits and consulting engagements of large, complex government entities. Lupita served as the finance director for the Gila River Indian Community, where she served on the governor's executive team and oversaw the financing, project budget monitoring, and construction accounting for economic development and gaming facilities. Lupita maintains a focus on single audits and has experience with more than 50 single audit clients.

Key relevant clients

- Twenty Nine Palms Band of Mission Indians
- Jicarilla Apache Nation
- Poarch Band of Creek Indians
- Morongo Band of Mission Indians
- Pascua Yaqui Tribe
- Tohono O'odham Nation
- Karuk Tribe of California
- St. Regis Mohawk Indian Tribe
- Jamul Indian Village
- The Hopi Tribe
- Mashpee Wampanoag Tribe
- Salt River Pima Maricopa Indian Community Property and Asset Management Company, Salt River Landfill and Salt River Golf

Education and professional involvement

- Bachelor of science in accounting from the University of Arizona, Tucson, Arizona
- American Institute of Certified Public Accountants
- Certified Public Accountant in Arizona
- Arizona Society of Certified Public Accountants



Speaking engagements

- May 2018 – Association of Government Accountants – CAFR Preparation Training
- April 2017 – Association of Government Accountants – *Uniform Guidance* Training

Civic organizations

- East Valley Women's League - Past Board Member and Member, August 2016 to present
- UPWARD Women - Phoenix Chapter Leader, April 2018 to present
- National Charity League, Ahwatukee Foothills Chapter - Past Board Member and Sustainer 2006 to present

Continuing professional education

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

CLAnet.com

CPAS | CONSULTANTS | WEALTH ADVISORS

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





Anita M. Supinski, CPA

CLA (CliftonLarsonAllen LLP)

Principal
Brainerd, Minnesota

218-825-2919
anita.supinski@CLAConnect.com



Profile

Anita is a CLA national assurance technical group principal who started with the firm in 1989 and works primarily with state and local government engagements. Anita serves as the CLA state and local government industry assurance leader and manages the efforts of the CLA GASB GAAP implementation task force. Additionally, her responsibilities include being a firm wide technical resource for the audit and assurance practice and quality review of assurance engagements of government agencies. Anita also develops and conducts training sessions for audit and accounting staff within the firm. Anita is an experienced member of peer review teams and is involved with the firm's peer review and internal inspection process.

Technical experience

Anita assists governmental audit engagement teams and clients with technical audit and accounting issues and works with the CLA state and local governments group to formulate audit and financial statement report planning. She has experience working with more than 300 audits including states, schools, counties, local municipalities, as well as numerous special-purpose governments across the nation. Additionally, she consults with engagement teams on technical issues related to audits of federal and state awards and *Government Auditing Standards*.

Education and professional involvement

- Bachelor of science in accounting from St. Cloud State University, St. Cloud, Minnesota
- American Institute of Certified Public Accountants
- Minnesota Society of Certified Public Accountants
- Certified Public Accountant, Minnesota
- Participates as a reviewer in the AICPA's enhanced peer review oversight program
- Past member of the AICPA State and Local Government Expert Panel

Speaking engagements

- AICPA National Governmental Accounting and Auditing Update and other AICPA learning webcasts
- Presenter for internal annual CLA audit and accounting updates
- CLA external Local Government Training Academy Presenter
- Instructor for firm's annual Minnesota School District update as well as other internal learning sessions



Continuing professional education

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

CLAcconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

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





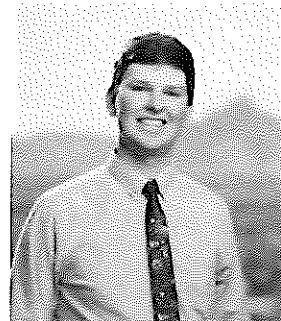
Mitchell P. Hagenson

CLA (CliftonLarsonAllen LLP)

Senior
Phoenix, Arizona

602-604-3593

mitchell.hagenson@CLAnet.com



Profile

Mitchell started with CLA in January 2018 as an intern and is now a senior with CLA's state and local government group. He has more than four years of experience in public accounting and works extensively with governmental clients including counties, cities, municipalities, and schools.

Technical experience

- State and local government

Education and professional involvement

- Bachelor of science in accounting and business administration, concentration in financial planning, University of Jamestown, Jamestown, North Dakota

Key relevant clients

- ADOT
- Apache Junction School District
- City of Flagstaff
- City of Glendale
- City of Mesa
- City of Peoria
- City of Sedona
- GFOAZ
- Hayden-Winkelman Unified School District
- J.O. Combs Unified School District
- Kingman Academy of Learning
- Lake Havasu City
- Madison Elementary School District
- Payson Unified School District
- Peoria Unified School District
- Phoenix-Mesa Gateway Airport Authority
- Sacaton Elementary School District
- Safford Unified School District
- Scottsdale Unified School District
- Tempe Elementary School District
- Tempe Union School District
- Town of Sahuarita
- Valley Metro Rail
- League of Arizona Cities and Towns



Continuing professional education

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

CLAnet.com

CPAS | CONSULTANTS | WEALTH ADVISORS

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





Dristan Bahe

CLA (CliftonLarsonAllen LLP)

Senior
Phoenix, Arizona

602-604-3572
dristan.bahe@CLAconnect.com



Profile

Dristan has four years of experience as an assurance senior working with state and local governments, cities, school districts, and tribal governments, with some involvement with non-profits. Engagements with these clients include financial statement audits, performing agreed-upon procedures, consulting engagements, and single audits.

Technical experience

- State and local governments

Education and professional involvement

- Master of science in accounting from Grand Canyon University, Phoenix, Arizona
- Bachelor of science in accountancy from Arizona State University, Tempe, Arizona

Relevant clients

- ASU Athletics Facilities District
- Central Arizona Water Conservation District Insurance Inc.
- City of Breezy Point, Minnesota
- City of Brook Park, Minnesota
- City of Glendale, Arizona
- City of Mesa, Arizona
- City of Nogales, Arizona
- City of Tucson, Arizona
- Crow Wing County, Minnesota
- Electrical District No. 4, Arizona
- Freeborn County, Minnesota
- Human Services of Faribault & Martin Counties, Minnesota
- Industrial Development Authority of Maricopa County
- Industrial Development Authority of the City of Phoenix
- J.O. Combs Unified School District
- Lake Havasu City, Arizona
- La Paz County, Arizona
- Phoenix-Mesa Gateway Airport Authority
- Washington County, Minnesota
- Wright County, Minnesota



Continuing professional education

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

CLAcnnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

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





Michael S. Nyman, CPA, CISA, CISSP, CITP, CRISC

CLA (CliftonLarsonAllen LLP)



Director, Business Risk Services
Phoenix, Arizona

602-266-2248
michael.nyman@CLAnet.com

Profile

Mike brings more than 25 years of experience in planning, developing, performing, supervising, and reviewing information system audits for external financial audits and co-sourced internal audit departments. This includes leading and managing Sarbanes/Oxley internal control audits from both management's assessment and the external audit. Since 2008, Mike has served as a specialty advisory services senior director in the Phoenix office. Before joining CLA, Mike worked with a Big 4 firm in Phoenix, where he served as a technology and security risk services senior manager from 1997 to 2008.

Mike possesses an understanding of the information systems auditing standards published by the Information Systems Audit and Control Association. He has extensive knowledge and experience with the concepts, terminology, capabilities, and application of business and control risk associated with various information systems architectures. Mike has a deep understanding of complex business processes and the underlying information security and control issues, which he effectively communicates to both internal and external parties. Additionally, he has a well-rounded IT background in infrastructure and development management.

Technical experience

- Director for CLA for Business Risk Services group
- Senior Information Technology assurance manager for the West region of CLA and Arizona leader of the IT assurance practice
- Supervised IT audits (performed over Government Audit Standards) of governmental agencies and nonprofit agencies
- Managed the information technology audit portion including the SOX portion of external audit for 20+ SEC clients
- Managed SOC 1 and 2/SAS 70 engagements for 40 different SOC 1 and SOC 2/SAS 70 reports where we evaluated internal controls at various types of industries
- Supervised and performed various security assessments at various governmental agencies
- Supervised and performed other IT services like internal audits, IT general and application controls assessments and IT risk assessments



Education and professional involvement

- Master of information technology from Brigham Young University, Provo, Utah
- Bachelor of science in accounting from Brigham Young University, Provo, Utah
- American Institute of Certified Public Accountants
- Certified Public Accountant in the state of Arizona
- Arizona Society of Certified Public Accountants
 - Information Technology Steering Committee Member (2011-present)
 - Information Technology Steering Committee Chair (2014-2019)
 - ASCPA Magazine Editorial Board (2024-present)
- Certified Information Systems Auditor
- Certified Information Systems Professional
- Certified Information Technology Professional
- Certified in Risk and Information Systems Control
- Information Systems Audit Control Association
- International Information Systems Security Certification Consortium

Continuing professional education

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

CLAcconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

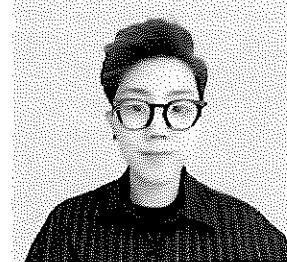
CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





Linyuan (Lin) Feng, CISA

CLA (CliftonLarsonAllen LLP)



Director, Business Risk Services
Phoenix, Arizona

505-222-3541
lin.feng@CLAnet.com

Profile

Lin is a director with the Business Risk Services/SOC group at CLA. She has over six years of experience, specializing in SSAE 21 Service Organization Control (SOC) reporting, IT general controls audits, risk assessments, and IT internal audits. Lin is currently serving on the SOC quality assurance team and contributes to the firm's commitment to high-quality and consistent SOC reporting practices.

Technical experience

- SSAE 21 Service Organization Control (SOC) reporting: Proficient in SOC 1, SOC 2, and SOC 2 with C5 (Cloud Computing Compliance) engagements across a variety of industries, including manufacturing, technology, state and local government, higher education, and nonprofit organizations.
- IT general controls audits: Specialized in evaluating ITGCs within state and local government, higher education, and nonprofit sectors. Key clients include the State of Texas, State of New Mexico, and State of Arizona.
- IT internal audit programs: Experienced in the planning, execution, and reporting of IT internal audits across diverse environments, including manufacturing, technology, and public sector organizations.
- Risk assessments: Conducted comprehensive IT and operational risk assessments to identify control gaps and recommend mitigation strategies across multiple industries.

Education and professional involvement

- Master of science in information systems and assurance, University of New Mexico, Albuquerque, New Mexico
- Bachelor of business administration, University of New Mexico, Albuquerque, New Mexico
- Certified Information Systems Auditor (CISA)
- IBM Digital Credential – Introduction to Cybersecurity Tools and Cyber Attacks
- ISACA Phoenix Chapter
- American Institute of Certified Public Accountants (AICPA)

Key relevant clients

- State of Texas
- State of New Mexico
- State of Arizona



B. Financial ability to perform the contract





CliftonLarsonAllen LLP
220 South Sixth Street, Suite 300
Minneapolis, MN 55402-1436

phone 612-376-4500 fax 612-376-4850
CLAnet.com

January 1, 2025

To Whom It May Concern:

CliftonLarsonAllen LLP (CLA) is a professional services firm delivering integrated wealth advisory, outsourcing and public accounting capabilities to enhance our clients' enterprise value and assist them in growing and managing their related personal assets. CLA is among the nation's top 10 accounting, consulting and advisory firms and has been providing quality, service and experience to clients for more than 65 years. CLA has annual revenues of roughly \$2.2 billion and employs over 9,000 professionals at more than 130 locations throughout the United States.

As a privately held company we are not rated, nor do we provide financial information outside of the company. CLA is in good standing and maintains a D&B rating of 1R2.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in black ink that appears to read "Heidi E. Hillman".

Heidi E. Hillman
Managing Director, Financial Operations
612.376.4620
Heidi.Hillman@clanet.com

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAGlobal.com/december.

