



July 31, 2025

Request for Proposal for Professional Auditing Services to:

City of Marshall, Minnesota

Firm’s Name	CliftonLarsonAllen LLP (CLA)
Address	14275 Golf Course Drive, Suite 300, Baxter, MN 56425
Primary Contact	Douglas P. Host, CPA, Principal
Telephone	218-825-2948
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CLAconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

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



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CliftonLarsonAllen LLP
CLAconnect.com

Transmittal Letter

July 31, 2025

City of Marshall
E.J. Moberg, Director of Administrative Services
344 West Main Street
Marshall, MN 56258

Dear E.J.:

Thank you for inviting us to propose. We look forward to the opportunity to not only provide high quality professional services and technical assistance to the City of Marshall (the City), but also explain what information is needed to perform the audit according to government standards.

Authorized representative

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

Douglas P. Host, Principal
Office: 218-825-2948
Cell: 218-831-0662
Email: Doug.host@CLAconnect.com

Understanding of work to be performed, interest and commitment to perform services

We understand the professional services required and CLA is interested and committed to performing the services requested by the City.

Why CLA believes that we are best qualified to perform the engagement

CLA believes that we are best qualified to perform the engagement for the City because we serve more than thousands of governmental clients nationwide, provide timely audit services and help guide you through the implementation of new standards.

Prior experience

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 city’s audit needs and other information made available/provided in our visit, and considered our experience performing similar work for other municipalities. Our local government clients are included amongst the more than 4,200 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 minimizes the 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. The principal will also be onsite with the audit team to provide guidance/training to our staff, which makes it easier for City staff.
- ***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 specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the City will enjoy the service of members of our state and local government services team who understand the issues and environment critical to governmental entities.
- ***Fresh perspective*** – By engaging CLA, the City will benefit from a fresh look at its business operations, information systems, and financial risk management policies and procedures. You will be served by an engagement team with enthusiasm and a desire to meet and exceed expectations. We are confident that our industry experience will bring to the City new ideas, creative approaches, and fresh opportunities to meet the financial management and accountability challenges before the City.



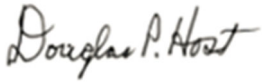
CLA's proposal is valid for ninety days after the proposal due date.

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

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

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in black ink that reads "Douglas P. Host". The signature is written in a cursive, flowing style.

Douglas P. Host, CPA
Principal
218-825-2948
Doug.host@CLAconnect.com



Overview

Understanding of the work to be performed

We understand the scope of the work to be performed. Should CLA be selected to serve this engagement, we will perform these services within the time period needed and as finalized in the planning stages of the engagement.

The audit will be performed in accordance with auditing standards generally accepted in the United States of America, as set forth by the American Institute of Certified Public Accountants; the standards set forth for financial audits in Government Auditing Standards issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as applicable; and any other applicable federal, state, and local laws or regulations.

CLA understands the work to be performed as follows:

- Audit the City's financial processes, records, and statements
- Perform tests and procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB)
- Conduct a single audit over the City's federal expenditures if they exceed the audit threshold in any given year

Approach to be taken in including requirements of SAS 99, *Consideration of Fraud in a Financial Statement Audit*, within the audit plan

Under the provisions of AU Section 316, Consideration of Fraud in a Financial Statement Audit, we will gather information necessary to identify risks of material misstatement due to fraud by (a) inquiring of management and others within the City about the risks of fraud, (b) considering the results of the analytical procedures performed in planning the audit, (c) considering fraud risk factors, and (d) considering any other information that comes to our attention during the audit.

Prior to the commencement of final fieldwork, we will conduct a brainstorming session among the audit team members to identify any specific risk factors based on our understanding of the City. Also, should any fraud risk factors be identified, our audit plan will incorporate specific procedures to address such risks.

Conflict of interest

CLA is not aware of any existing or potential conflict of interest matters that would impair our independence for the performance of this engagement.



Technical Proposal

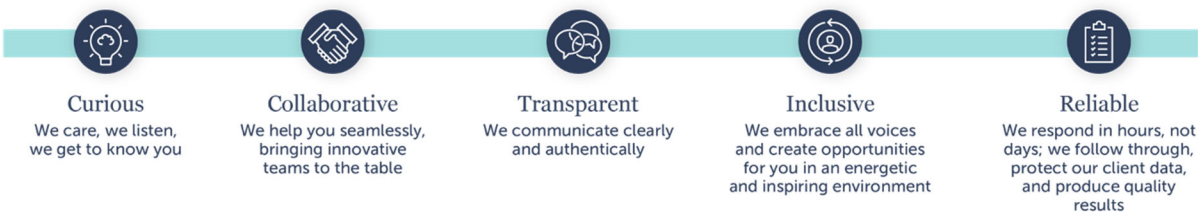
The purpose of our technical proposal is to demonstrate CLA’s qualifications, competence, and capacity to undertake the role of an independent professional auditor for the City in conformity with the requirements of this request.

1. Firm’s profile

You deserve to work with people whose values match your own. Our values drive our behavior and lead to service delivery that exceeds expectations and provides you with the [CLA client experience](#).

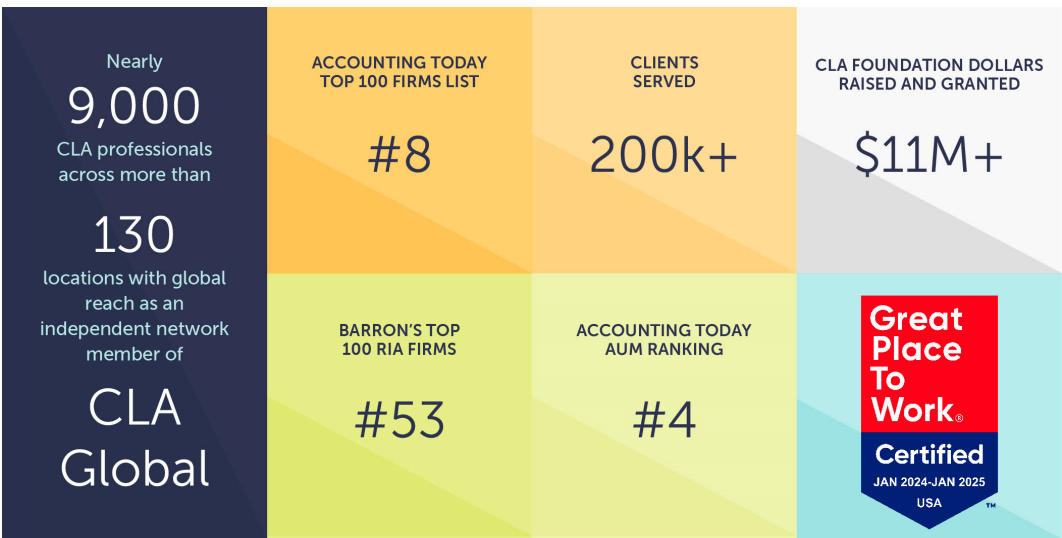
What does that mean? It means you’ll work with a team with the resources to support the whole of your organization. You can count on industry specialized professionals who bring ideas and strategies that are relevant and actionable. Quite simply, you’ll encounter value beyond the expected.

We put relationships first. Our family culture is at the center of our success, and we invite different beliefs and perspectives to the table, so we can truly know and help our clients, our communities, and each other. Here’s what you can experience.



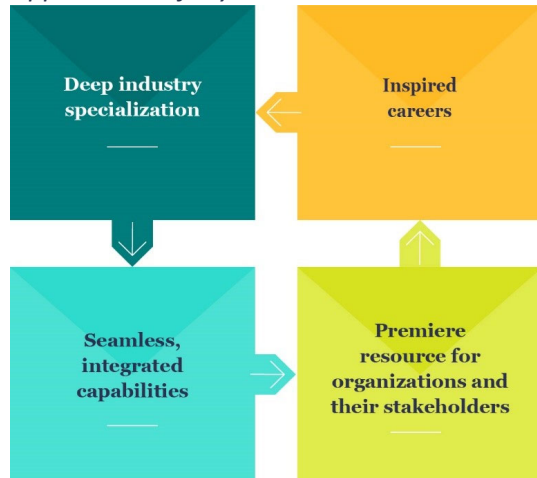
Your time is valuable: *We know how to deliver quality, timely work, and we take care of the details so you can focus on what really matters: the important decisions that drive your success.*

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.



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

Opportunities for you



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

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

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

Opportunities for our people

At CLA, people find meaningful work in a fun, compelling, and energizing culture. Our people design their own customized careers through our inspired careers strategic advantage. In 2023 our total headcount was up 4% and we saw an incredible retention rate of 87%. Inspired by their careers, our family members develop client relationships that bring deeper knowledge and help you shine. We're one family, working together to create opportunities.

Opportunities for our community

CLA's community impact team unifies the work and missions of our diversity, equity, and inclusion council and the CLA Foundation with a laser focus on advancing education, employment, and entrepreneurship within CLA and throughout our society.

Since 2015, our [CLA Foundation](#) has granted more than \$11 million from nominations made by and funds raised from CLA family members. Each grant recipient's work aligns with the foundation's mission to create career opportunities through education, employment, and entrepreneurship by connecting diverse networks inclusive of all genders and races, veterans, and the disability community.

Size of firm's governmental audit staff

With more than 600 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 4,200 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, ranking top in the nation for the number of single audits performed by any CPA firm.

Office location assigned to manage the engagement

Our firm matches the necessary skill set to an engagement before considering the geographic location of the staff. Assigning team members who specialize in working with similar clients can provide the City higher-quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff. The City will be served by an industry-specialized engagement team based out of our Northern Minnesota offices (Brainerd, St. Cloud, Alexandria and Monticello).



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/Signing Director	1	1
Director/Manager	1	
Senior	1	
Associate	2	
Total	5	1



iii. License to practice

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

Minnesota Board of Accountancy (index.html)

REGULATION • LICENSURE • ENFORCEMENT • PUBLIC SERVICE



(index.html)

Find a CPA Firm



What "Find a CPA Firm" Is

"Find a CPA Firm" helps you confirm if a firm holds a current CPA firm permit in Minnesota.

Firms can also use this search tool to look up their permit number and their permit expiration date. Only firms with a current permit are listed. If you do not see your firm listed and would have expected to find it, [contact \(staff.html\)](#) the Board office.

Please note that the database is refreshed daily; it is not real time. Newly licensed firms will want to wait 1-2 business days from the anticipated date of a permit approval before checking the information in this database.

How to Search

Enter a full or partial firm name or certificate number, then click "Search" to see the results. You may also click on the first letter of the firm name to show all firms beginning with that letter.

2. Independence

a. Firm independence

CLA is independent of the City under the American Institute of Certified Public Accountant's Code of Professional Conduct and its interpretations, the U.S. Government Accountability Office's Government Auditing Standards, and the U.S. Department of Labor's 29 CFR 2509.75-9 Interpretive Bulletin and the independence rules of the Public Company Accounting Oversight Board (PCAOB) and/or the U.S. Securities and Exchange Commission, as required. 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.

b. Professional relationship with the City

CLA has no known previous relationships involving the City over the past 5 years. CLA is not aware of any existing or potential conflict of interest matters that would impair our independence for the performance of this engagement.

3. Narrative

a. Firm's experience and local office 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 revenue reductions
- 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, including those shown here.



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

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

Our involvement in these professional organizations, combined with various technical services we subscribe to, allows use 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. We also provide an annual local government training academy for local government officials in March of each year.



Insight to strengthen your organization

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

- [National webinars](#) — Access complimentary professional development opportunities for your team.
- [Articles and white papers](#) — Stay current on industry information as issues arise.

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

Support at every turn

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

- [Affordable Care Act \(ACA\) reporting and compliance](#)
- [Audit](#), review, and compilation of financial statements
- Compliance audits (HUD, OMB Single Audits)
- [COVID-19 funding support](#)
- [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](#)



Independence can easily become impaired when providing consulting services; therefore, we do not provide any services to our audit clients beyond those allowed. If additional work is requested by the City outside of the scope of the audit, we will discuss with you our proposed fee for additional services prior to beginning the new services.

Audit experience

CLA has experience in helping clients turn their financial data into accurate, meaningful information that empowers stakeholders to make key business decisions. Quality decision making begins with dependable, fairly presented financials. Our team of audit professionals can provide your organization with unbiased data, helping you chart a path forward with financial information you can trust.

We have experience assisting clients with:

- Succeeding in a competitive, dynamic business environment
- Complying with changing government regulations
- Gaining a more complete picture of their organization
- Collaborating with advisors of the highest professional integrity
- Relying on objective information to make knowledgeable decisions
- Increasing efficiency, effectiveness, and the bottom line

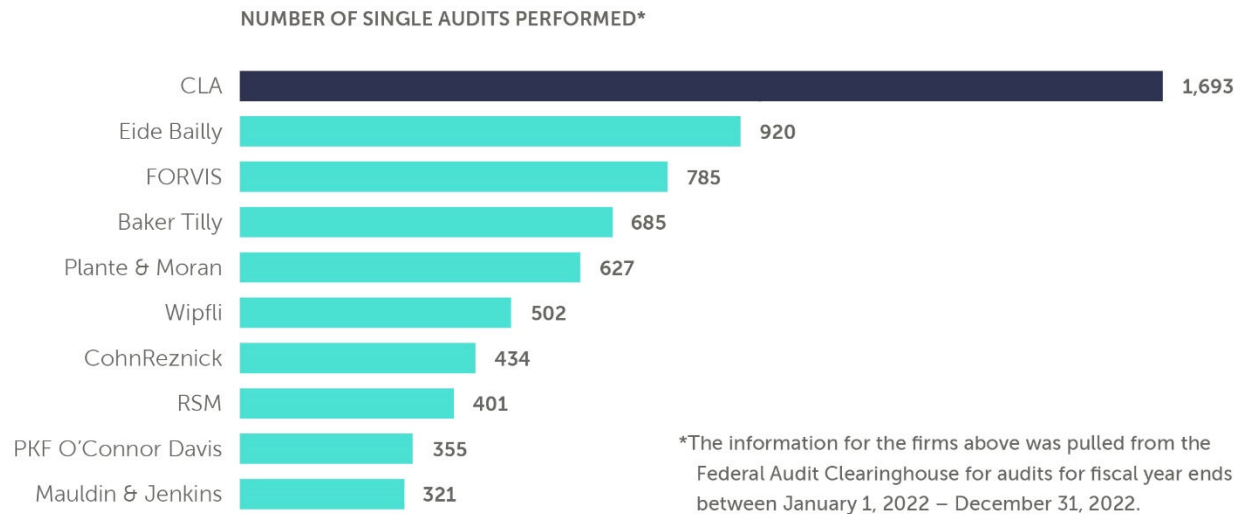


Your engagement team has experience with the specific challenges and opportunities within your industry. And with a principal-to-staff ratio among the lowest in the accounting profession, you can rest easy knowing our principals are directly involved with the planning and execution of your engagement.

Single audit experience

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

We audited nearly \$257 billion dollars in federal funds in 2022. The chart below illustrates CLA’s experience in serving organizations that receive federal funds and demonstrates our firm’s dedication to serving the government and nonprofit industry.



It is more important than ever to find qualified auditors who have significant experience with federal grants specific to

The City and can enhance the quality of the City’s single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB’s *Uniform Guidance* and who can offer both knowledge and quality for the City. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

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

Single Audit Resource Center (SARC) award

CLA received the [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 10,000 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2021 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.



b. Audit methodology

The CLA Seamless Assurance Advantage (SAA)

The CLA Seamless Assurance Advantage (SAA) is an innovative approach to auditing that utilizes leading technologies, analytics, and audit methods to help solve client problems and create a seamless experience.






A different approach

SAA is unlike any conventional audit process. SAA does not depend on physical location. It reduces the time our professionals spend on site, creates fewer disruptions, enables more efficient use of resources (yours and ours), and allows for more impactful interactions with your people.

Insights through analytics

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





Effective technology

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

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual check-up that gives you insight into your organization, allowing you to take advantage of opportunities and improve your operations.

Our industry experience makes it easier — CLA auditors are industry aligned, making our audit process fast and smooth. We focus on operational efficiency and leverage our industry experience to bring you meaningful insights that go beyond compliance requirements. A dedicated team of professionals will listen to your goals and concerns, then work with you to navigate industry pressures, changing markets, and complex standards, all with a common goal to drive your organization toward success.



Your time has value — Your day is filled with competing priorities and constant distractions. We elevate your experience by using a variety of communication tools, such as a web-based document portal, video conferencing, email, and phone calls, to keep everyone informed and on track. These tools provide flexibility to choose where and how your audit is performed. In contrast to a traditional engagement, where a team spends weeks on site at your location, our Seamless Assurance Advantage focuses on having the right team members on your engagement and isn't dependent on physical locations.

No surprises — We will provide the City with a no-surprises approach to our services, based on frequent and timely communication and clarity around roles and expectations. If issues arise during your audit, we engage the right people in a frank discussion to resolve them.

Significant involvement of principals and managers — Our principals and managers are directly involved in your engagement and can proactively identify significant issues and resolve them with management. Your time is best spent with key decision makers so you can ask clarifying questions, discuss organizational strategies, and navigate sensitive reporting issues.

We tailor the audit just for you — While our audit programs provide typical approaches for given audit areas, CLA designs a client-specific, risk-based audit approach for each client. We use custom, industry-tailored programs, procedures, and tools designed specifically to focus on applicable issues.

You'll learn about what we're doing and what we've found in plain, everyday language — By working closely with your staff, CLA continuously learns about your organization. This involvement enables us to offer recommendations for improvements in your systems and procedures that are more comprehensive, better understood, and more frequently implemented.

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

Year-long support — We encourage your staff to take advantage of our accessibility throughout the year for questions that may arise. Our people can provide proactive advice on new accounting or GAAP pronouncements and their potential impact; help with immediate problems, including answers to brief routine questions; and share insights and leading practices to assist in planning for your future success.

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 immediately.

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

Data analytics

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

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

The phases in our data analytics process are as follows:

1. Planning

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

2. Expectations

We consider the risks facing our client and design analytics to address these risks. Through preliminary discussions with management and governance, we develop and document expectations of financial transactions and results



for the year. These expectations will assist in identifying anomalies and significant audit areas in order to assess risk.

3. Data acquisition

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

4. Technical data analysis

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

5. Interpret results and subsequent risk assessment

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



Your Service Team

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

Please find the principal supervisory and management staff who will be assigned to this engagement below.

Engagement Team Member	Role	Licensed in Minnesota
Douglas P. Host, CPA, Principal	Engagement principal – Doug 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. Doug is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.	✓
Anita Supinski, CPA, Principal	Quality assurance principal – 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.	✓
Eric Smedsrud, CPA, Manager	Manager – Eric will act as the lead manager on the engagement. In this role, Eric 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 financial report and all related reports.	✓
Krysta Redmann, Senior	Senior – Krysta be responsible for the day-to-day activities for this engagement, including the supervision of all staff assigned.	
Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients.		

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

Please find resumes for each professional below.





Douglas P. Host, CPA

CLA (CliftonLarsonAllen LLP)

Principal
Baxter, Minnesota

218-825-2948
doug.host@CLAconnect.com



Profile

Doug is an assurance principal in the CLA regulated industry group and has more than 34 years of state and local government audit and accounting experiences (including the first 12 years of his career with the Minnesota Office of the State Auditor). He works exclusively with local governments including many counties, cities, and other governmental entities. During his career, he has frequently presented at the Office of the State Auditor annual training sessions, Minnesota Office of the State Auditor's Regional Training Seminars, Minnesota Society of CPA's state and local government annual conference, Association of Minnesota Counties Annual Conference, and Minnesota Association of County Auditors, Treasurers and Finance Officers annual conferences. Doug has presented on various accounting, auditing, and compliance issues since joining CLA including its annual Nonprofit and Government Accounting and Auditing Update and the CLA Annual Local Government Training Academy. Additionally, Doug has presented at the SW Florida Chapter of the GFOA, the South Florida Chapter of the GFOA, the Annual Cutwater Asset Management Investment Seminar, and the Florida GFOA's School of Government Finance. Other organizations he has presented to include the St. Cloud State University Accounting Club, the Wildan Financial Services Public Funds Management Seminar in Seattle, Washington, and San Diego County, California.

Education and professional involvement

- Bachelor of science in accounting from St. Cloud State University, Minnesota
- Minnesota Government Finance Officers Association
- American Institute of Certified Public Accountants
- Minnesota Society of Certified Public Accountants

Continuing professional education

Doug is in full compliance with continuing education requirements established by Government Auditing Standards (attends a minimum of 20 hours annually of continuing professional education classes, including a minimum of 8 hours of audit and accounting classes, resulting in 120 hours over the three-year period). Detailed CPE listing is available upon request.

Key relevant clients

- East Central Regional Development Commission
- Freeborn County (ACFR Award)
- Kanabec County
- Todd County
- Beltrami County
- Washington County
- Lincoln County





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 oversees the efforts of the CLA GASB GAAP implementation task force. Additionally, her responsibilities include being a firm wide technical resource for the governmental agencies 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.

Government auditing 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

- Participates as a reviewer in the AICPA's enhanced peer review oversight program
- Past member of the AICPA State and Local Government Expert Panel
- 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

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 is in full compliance with continuing education requirements established by *Government Auditing Standards*. Relevant CPE areas include:

- Single audit training
- Annual audit and accounting updates





Eric P. Smedsrud

CLA (CliftonLarsonAllen LLP)

Manager
Baxter, Minnesota

218-828-0100
eric.smedsrud@CLAconnect.com



Profile

Eric started with CLA in January 2019 as an intern and is now a manager with CLA's state and local government group. He has experience in public accounting and works extensively with governmental clients including counties, cities, and municipalities. A sampling of his governmental clients includes:

- Aitkin County
- Beltrami County
- Black Hawk County (Iowa)
- East Central Regional Development Commission
- Fillmore County
- Goodhue County
- Kanabec County
- Lyon County
- Mower County
- Nobles County
- Pope-Douglas Solid Waste Commission
- Region 4 South Adult Mental Health
- Rice County
- Rock County
- Swift County
- Washington County
- Wright County

Education and professional involvement

- Bachelor of science in accounting, University of Minnesota – Duluth

Continuing professional education

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

- Single audit training
- CLA annual government training academy
- Annual audit and accounting updates
- CLA Government Training Academy – Annual
- Annual risk management and internal controls seminar



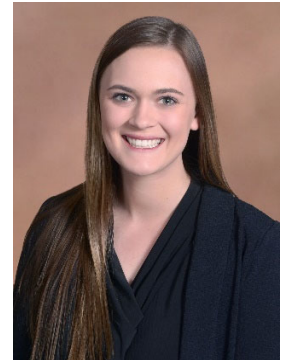


Krysta R. Redmann

CLA (CliftonLarsonAllen LLP)

Senior
Baxter, Minnesota

218-825-2938
krysta.redman@CLAconnect.com



Profile

Krysta started with CLA in 2017 and works exclusively with governmental clients (including: counties, cities, towns, school districts, and special districts) and has experience with single audits of federal grant programs.

Technical experience

- State and local government

Education and professional involvement

- Bachelor of science in accounting from University of Wisconsin – Superior

Key relevant clients

- Aitkin County
- Benton County
- City of Brainerd
- City of Fifty Lakes
- Crow Wing County
- Cuyuna Range Housing
- Glencoe Light and Power
- Goodhue County
- Human Services of Faribault & Martin Counties
- Independent School District #181 Brainerd
- Lyon County
- Mower County
- Rice County
- Washington County
- Western Lakes Sanitary Sewer District

Continuing professional education

- Single Audit Training
- Yellow Book Training
- Government conference internal training



v. Quality of staff over the term of the agreement

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.

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



4. Quality control review reports

In the most recent peer review report, dated November 2022, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided 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*.

i. Copy of the Firm's most recent external quality control review



Report on the Firm's System of Quality Control

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

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards, may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review 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 1[®] and SOC 2[®] engagements).

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

Opinion

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

Cherry Bekaert LLP

Cherry Bekaert LLP
Charlotte, North Carolina
November 18, 2022

cbh.com

ii. Federal or state desk or field reviews

CLA has been subject to several federal and state desk reviews by state oversight agencies during the past three years, and we have resolved all findings. 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, and we have also resolved all findings identified in those reviews.

iii. Disciplinary action taken or pending

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.

As a federal contractor, we have appropriate affirmative action plans in place however, our facility has not been subject to an Office of Federal Contract Compliance Programs (OFCCP) audit and therefore does not have a certificate of affirmative action to provide.



Proposed Fees

Based on our understanding of your requirements, we propose the following fees:

Audit	Audit Fees		Technology Fees		Total Fees
December 31, 2025	\$	46,000	\$	2,300	\$ 48,300
December 31, 2026	\$	49,000	\$	2,450	\$ 51,450
December 31, 2027	\$	53,000	\$	2,650	\$ 55,650

Note 1: The fees above assume a single audit is not required.

Note 2: The fees above include assistance with the Minnesota State Auditor Annual Financial Reporting Form.

Note 3: If a single audit is required, those services will be billed at our standard hourly rates less a 20% discount plus the 5% technology and client support fee. An estimate of single audit fees, if required, is \$6,000 for one major program and \$4,000 for each additional major program required to be tested. Additional services/testing required when new standards are implemented will also be billed at our standard hourly rates less a 20% discount plus the 5% technology and client support fee.

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

Our fixed-fee quote is designed with an understanding that:

- City of Marshall 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 not significant changes to the scope, including no significant changes in auditing, accounting, or reporting requirements.
- Pricing is valid for 90 days from submittal.

No surprises

Our clients don't like fee surprises. Neither do we. If changes occur, we will discuss a revised fee proposal with you before beginning any work. For any "out-of-scope" work, we will provide an estimate for your approval.

We're invested in our relationships and strongly encourage intentional and frequent communication. Contact us year-round as changes or questions arise — we do not bill for routine inquiries or advice.

We are committed to creating a long-standing relationship. If you have concerns about the fee structure, give us a call and let's discuss.

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

