

## A. Title Page

Proposal for efficient, thorough, and timely audit services for  
**the Village of Long Grove**

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January 26, 2015

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## C. Letter of Transmittal

January 26, 2015

Mr. David Lothspeich, Village Manager  
Village of Long Grove  
3110 RFD  
Long Grove, IL 60047

Dear Mr. Lothspeich:

The Village of Long Grove (the Village) seeks audit services for the three fiscal years ending April 30, 2015 through 2017. Baker Tilly Virchow Krause, LLP (Baker Tilly) is pleased to present our proposal to provide these services. Based upon our discussions, your RFP, our experience with the Village, and our extensive experience with municipal audits, we are confident we can help the Village meet the following key objectives:

- > Annual audit of the Village's financial records
- > Preparation of the Village's financial statements in accordance with Generally Accepted Accounting Procedures (GAAP)
- > Presentation of the audit results to the Village Board
- > Seamless collaboration with the Village's accountants
- > Assistance with questions and services as they arise

We recognize the Village has unique business needs and concerns. These include the tax revenue distributions across multiple funds, financing mechanisms utilized for the Village's TIF fund, funding options for the infrastructure needs of the Village, and other complex areas that we have worked with the Village to address. We are eager to continue to demonstrate how Baker Tilly can continue helping you address those needs and achieve your goals. The key factors that differentiate Baker Tilly are:

- > Baker Tilly has in-depth knowledge of the Village's complex financial operations
- > We have worked proactively with the Village's accountants to ensure compliance with standards and to contain costs
- > Our audit team has consistently been available to assist with questions and services as they arose
- > We have attended meetings and been involved with issues outside of the presentation of the annual audit
- > We have worked with the Village to transition itself from a government with limited activity and in-house finances to the current state

Mr. David Lothspeich, Village Manager  
Village of Long Grove

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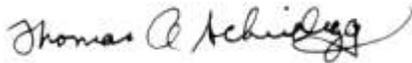
Our proposal details Baker Tilly's tailored approach to working with you to accomplish your objectives as well as information we believe will help you make your decision. We also included testimonials to show how we provide knowledge and experience-based insights that create measurable value for our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

We are committed to the public sector. We believe that the selection of our firm will provide the Village with the best possible team to serve you. Baker Tilly's desire is to build long-term relationships with our clients. Our goal is to provide valuable services and contribute to your success by delivering solutions that are just right for you. We hope that our client service philosophy, expertise, and reputation for quality will be major factors you consider when evaluating our firm. We appreciate the opportunity to submit this proposal and welcome the opportunity to discuss any specific aspects with the Village.

Our proposal is a firm and irrevocable offer for ninety (90) days. I am authorized to make representations and execute engagements on behalf of the partnership of Baker Tilly Virchow Krause, LLP. We recognize the trust you place in a service provider and look forward to continuing a successful relationship.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP



Thomas Scheidegger, CPA, Partner  
608 240 2303 | 800 362 7301, x42303  
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# Executive summary

## Understanding your needs; achieving your objectives

The Village of Long Grove has unique needs and issues that we understand. Like many governments, the Village experienced many challenges in dealing with the impact of the Great Recession (2007–2009). During that time, many of the reliable revenue sources such as permit revenue, sales, and income taxes declined. At the same time, the Village pursued significant capital and development initiatives, laying the foundation for today. As those initiatives settled, new ones arose such as the ongoing analysis of how to meet the public infrastructure needs of the Village. Other items that have financial implications are on the horizon. Our proposal—and desire to continue serving the Village—was prepared with these factors in mind.

We understand the services you are requesting. They are similar to those we have provided to many other clients—including the Village. If we are awarded the contract, we are committed to perform the audit on time and in a manner that meets or exceeds the scope described in your RFP.

### Why choose Baker Tilly?

We want to develop productive and long-lasting client relationships. We offer deep industry experience, a wide range of service offerings, a collaborative approach, and Exceptional Client Service. As you evaluate professional service providers, we encourage you to consider the following factors that differentiate us in the marketplace and that we believe are most relevant to you.

#### **In-depth knowledge of Village’s complex financial operations fosters efficiency and accuracy**

We have had many successful years preparing high-quality, efficient audits for you. We have direct, in-depth knowledge of your complex financial operations and have a close working relationship with your personnel.

In addition, more than thirty Illinois municipal and municipal utility audit clients include entities that are similar to the Village. Many of these local governments include water, stormwater, wastewater, electric, and water utilities, as well as TIF districts. We understand the unique requirements specific to municipal governments in the state of Illinois, and this means we can provide you with relevant and state-specific advice.



## Executive summary

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### **Extensive governmental services provide deep expertise**

Baker Tilly recognizes the complexity of this environment. We organize our public sector partners and staff along industry lines so we can provide you with a project team that can identify the strength of internal controls and business processes as well as key indicators critical to governments. We have a substantial history of public sector audit, tax, and accounting services. We currently work with more than one thousand counties, municipalities, school districts, public utilities, and state agencies. The 220 professionals on our state and local government team have been successful in serving entities with the same operating issues as the Village.

For example, we have provided agreed-upon procedures, TIF audits, forecasts, water rate studies, bookkeeping services, and budget assistance, in addition to financial statement audits.

In addition, we offer valuable assistance such as operational reviews, consolidation and shared services consulting, information technology consulting, economic impact analysis, and other services through affiliated entities. Our experience means we can give you a 360-degree view rather than just focusing on the numbers.

### **Low staff turnover and practice depth mean consistent, qualified engagement team for the Village—and cost containment**

Over the years, we have worked proactively with the Village's accountants (Seidler and Associates, Ltd.) to ensure compliance with standards and to contain costs as more accounting areas have transitioned to them. Our familiarity with the Village's operations, systems, accountants, and staff mean have been—and will continue to be—proactive regarding new standards and best practices of importance to the Village.

Our unique corporate culture and our commitment to being an employer of choice attract some of the brightest and most skilled professionals and fosters a high staff retention rate. The caliber of our team is an important element of this proposal and our ability to serve your organization in a comprehensive manner. In addition to a highly qualified engagement team, the full complement of our entire firm's personnel and resources will be at your disposal.



## Executive summary

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### **Active industry involvement and specialization garner knowledge we share to keep clients up to date with regulations and standards**

Our specialists have consistently been available to assist with questions and services as they arose.

Government organizations are challenged with constant changes in regulations and standards. We have chosen to provide leadership to industry organizations through our involvement as authors, speakers, trainers, and promoters of the advancement of government accounting and auditing so we can provide you with the information you need about current issues. On a national level, partner Heather Acker previously served on the AICPA State and Local Government Expert Panel and is currently a member of the AICPA GAQC Executive Committee. Carla Gogin, a Baker Tilly partner, is a current member of the AICPA State and Local Government Expert Panel.

Our industry involvement and our depth of services mean we have both industry contacts and knowledge of value to municipalities such as the Village. We strive to become your most valued advisor by providing a complete range of services to help you meet your financial goals. We are also here for you when you have needs that arise beyond the audit. We can see the big picture, and Baker Tilly will work with you to provide strategic guidance and to enhance and strengthen your processes over the long term.

### **Collaborative, detailed approach results in consistent communication, deadlines met or exceeded, and no surprises**

We are committed to meeting your deadlines and maintaining continual and open communication with you, as we believe these are the essential components of any audit. We start every engagement with a mutually agreed-upon timeline. Using that timeline, we develop and commit to a customized Client Service Plan to ensure that, at every step, you know where things stand—and there are no surprises.

Final fieldwork commences shortly after the Village and its accountants have completed the fully adjusted trial balances and agreed-upon audit worksheets and schedules. We escalate high-risk or unusual transactions to the beginning of our audit to ensure draft copies of the financial statements and management letter are delivered by your outlined deadlines. Tom Scheidegger, Heather Acker, and John Rader, as well as all team members, are available to you as resources to answer questions throughout the year.



## Executive summary

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### Complimentary services keep clients informed of industry trends, benchmarks, resource optimization ideas, and more

Industry involvement and specialization translate into knowledge we share with the Village. The value of our service is based upon your assessments and expectations. Therefore, going beyond the audit—beyond the necessary reports and opinions—to educate your staff and support your operations is the foundation of the relationship we would like to continue with you. This value includes preparing your staff for changes in accounting standards through formal communications, webinars (see our website at [bakertilly.com](http://bakertilly.com) for upcoming events), and hands-on training. Complimentary services include:

- > Development and maintenance of Baker Tilly client benchmark data for use in financial highlights and presentations
- > Six to eight webinars annually on topics such as fraud, understanding financial reports, new GASB reporting standards, and cost reduction/revenue maximization; the webinars are free to our clients and qualify for continuing professional education (CPE); they are archived on our website and can be viewed at any time
- > *Government Connection* quarterly newsletter with guidance on industry, regulatory, and resource optimization issues; our professionals also contribute articles to industry publications
- > Periodic alerts on laws, regulations, or decisions with an immediate or near-future impact on state and local governments
- > Routine questions through the year fielded by Baker Tilly personnel who can provide meaningful and realistic guidance; over the years, we have provided guidance to the Village on complex accounting and financial report issues the Village.

### Our practice group's depth means we can offer fresh perspective without the cost and Village staff time needed to transition to a new firm

If you decide it is appropriate to obtain a new look or fresh perspective from your audit firm, Baker Tilly can accommodate you. With 220 people who work full time in state and local government auditing, we are able to replace part or all of the audit team to obtain a fresh point of view. Our depth can offer you a fresh perspective without the cost of switching firms and without the need to recreate all of the file documents and background data that a new firm would require. We have had many successful years preparing high-quality, efficient audits for you. We have direct, working knowledge of your system and have a close working relationship with your personnel.

On the other hand, changing audit firms will require significant investment of time by your staff as the new firm documents procedures and becomes familiar with your operations and your staff. It is not out of line to expect a 10 to 20 percent increase in Village staff time to assist a new firm to learn and document your systems and procedures, as well as train them.



## Executive summary

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### Chicago headquarters

Our firm headquarters are in Chicago, where we've built a significant government practice focused on serving government clients right in your backyard. Our firm's growth has resulted in the expansion of our service offerings, resources, and client base in and around the Chicago region. We are proud to call Chicago home, and we are confident that our passion for this marketplace will be demonstrated through the quality service we provide.

### Sometimes it's best to let our clients speak for us



"We truly appreciate our working relationship with Baker Tilly. We have been clients for a number of years and our audit teams have always been knowledgeable, dependable and service orientated. The audit process here is not a painful process due to their hard work and thorough preparation. Every time I call with a question, I'm immediately contacted with an answer. Thank you."

~~Finance Director, Illinois village client

"They are great to work with and always at the top of their game!"

~~Finance Director, Illinois county client



# Profile of the Proposing Firm

## D. Profile of the Proposing Firm

### 1. List of current governmental clients and length of service for each client

We currently work with more than one thousand counties, school districts, public utilities, state agencies, including more than 200 municipalities nationwide. Sheer numbers preclude including an entire client list with length of service data. However, the list below includes some of our public sector audit and consulting clients from Illinois. **We can also provide contact information for any client upon request.**

#### City

Chicago  
Evanston  
Highland  
Prospect Heights  
Urbana  
Waukegan  
Wheaton

#### County

Kane  
Lake  
McHenry  
McLean  
Peoria  
Will

#### Township

Evanston  
Lyons

#### Libraries

Bedford Park  
Downers Grove  
Evanston  
Hodgkins  
McCook  
Melrose Park  
Park Forest  
Schaumburg Township  
Waukegan

#### Utility

Batavia Water & Sewer  
DuPage County Water and  
Sewerage System  
Glenbard Wastewater Authority  
Illinois Municipal Electric  
Agency  
Marshall Utilities  
Metropolitan Water Reclamation  
District of Greater Chicago  
Naperville Utilities  
Oglesby Utilities

#### Village

Barrington Hills  
Buffalo Grove  
Broadview  
Chicago Ridge  
Downers Grove  
Hodgkins  
Indian Head Park  
Lemont  
Long Grove  
Maywood  
McCook  
Orland Park  
Park Forest  
Schaumburg  
Skokie  
Westmont

#### Other entities

Bedford Park Park District  
DuPage County Health  
Department  
Forest Preserve District of Cook  
County  
Hodgkins Park District  
LaGrange Highlands Sanitary  
District  
Northwest Suburban Municipal  
Joint Action Water Agency  
Pleasantview Fire Protection  
District  
Regional Transportation Authority



# Profile of the Proposing Firm

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## 2. Membership in professional organizations

### **Active industry involvement fosters knowledge we share to keep clients up to date with regulations and standards**

Our organization memberships and our active involvement as authors, speakers, trainers, and promoters of governmental accounting and auditing mean we are able to provide the Village with timely and relevant industry information. It also means we can help you with the implementation of new regulations or the adoption of new standards, and that we can be a sound resource to you as complex or routine accounting and auditing issues arise.

- > American Institute of Certified Public Accountants
- > American Public Power Association
- > American Women's Society of Certified Public Accountants
- > Association of Government Accountants
- > Association of School Business Officials International
- > Government Finance Officers Association
- > Illinois Association of School Business Officials
- > Illinois CPA Society
- > Illinois Government Finance Officers Association
- > Illinois Municipal Treasurers Association
- > Illinois Public Transportation Association
- > Institute of Management Accountants
- > International City/County Management Association

In addition, our professionals speak at many accounting, financial, and management seminars and workshops in Illinois and throughout the nation—for national association and regional conferences, and for local industry events and clients.

Baker Tilly doesn't just belong to these organizations. We are active members who serve on committees and support the organizations with our time and funds. We have served on or are currently serving on many committees that help local governments.

For example, Heather Acker serves on American Institute of Certified Public Accountants (AICPA) Government Audit Quality Center (GAQC) committee. The GAQC was created to help promote the importance of quality governmental audits and be a resource for this specialized area. Partner Tom Scheidegger is a former member. Partner Carla Gogin is a current member of the AICPA State and Local Government Expert Panel; partner Heather Acker is a former member. Partner Vicki Hellenbrand is a member of AICPA's GASB Technical Issues Committee. Partner Tom Scheidegger is a former member of AICPA's Peer Review Oversight Reviewer–Single Audits committee.

We participate so we can answer questions, actively assist in the implementation of the new standards, help with issues that arise, and keep in touch with the industry as a whole. By being active, we are a familiar and informed resource when you need help.

See Appendix B for more comprehensive list of our industry involvement.



## Profile of the Proposing Firm

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### 3. Prior governmental auditing experience in Illinois municipalities, including Tax Increment Financing (TIF) districts similar to Long Grove

Illinois clients for whom we provide TIF services include:

**Villages**

Broadview  
Chicago Ridge  
Downers Grove  
Hodgkins  
Lemon  
Maywood  
McCook  
Orland Park  
Park Forest  
Schaumburg  
Skokie

**Cities**

Evanston  
Highland Park  
Prospect Heights  
Urbana  
Waukegan  
Wheaton



# Profile of the Proposing Firm

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## References

We encourage you to connect with the clients listed below to learn more about the value of their relationship with Baker Tilly. Each may have a different perspective that you may find valuable as you think about your needs.

<b>Client:</b>	<b>Lake County</b>
Contact:	Ms. Patrice Sutton Burger, Controller
Phone:	847 377 2227
Scope of work:	Financial and single audit
Dates:	2004–current

<b>Client:</b>	<b>McHenry County</b>
Contact:	Ms. Pam Palmer, County Auditor
Phone:	815 334 4204
Scope of work:	Financial and single audit
Dates:	2004–current

<b>Client:</b>	<b>Village of Schaumburg</b>
Contact:	Ms. Lisa Happ, Director of Finance
Phone:	847 923 4530
Scope of work:	Financial, TIF compliance, and single audits
Dates:	2010–current

<b>Client:</b>	<b>Village of Downers Grove</b>
Contact:	Ms. Judy Buttny, Finance Director
Phone:	630 434 5528
Scope of work:	Financial, TIF compliance, and single audits
Dates:	2010–current

<b>Client:</b>	<b>Village of Wheaton</b>
Contact:	Mr. Robert Lehnhardt, Director of Finance
Phone:	630 260 2020
Scope of work:	Financial and TIF compliance audits
Dates:	2010–current

<b>Client:</b>	<b>Will County</b>
Contact:	Ms. Karen Hennessy, Accounting Manager
Phone:	815 740 8399
Scope of work:	Financial and single audit
Dates:	2010–current



## Profile of the Proposing Firm

### 4. Overview of the firm's experience in auditing manual and computerized accounting systems

#### Use of electronic data processing (EDP) software

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

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

Audit work activities associated with the system review include:



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

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

We also use accounting software such as CaseWare to assist the auditor in determining the extent of detailed account analysis to perform. By entering data from your budget reports into our program, we are able to analyze account relationships, which helps us concentrate our efforts on accounts that are most relevant to the audit.



## Profile of the Proposing Firm

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

### 5. Supervision and review procedures within our firm

Our partners and managers will remain very active in the Village's assurance engagement. Not only will they spend significant time in the planning stages and in the field during the engagements, they will be deeply involved in the financial statement preparation and review process. As a result, they will be very knowledgeable about your financial statements and business when they are ready to present the reports.

Our partners and managers closely monitor the workload of engagement teams to ensure our professionals will provide quality service in keeping with the Client Service Plan agreed upon between Baker Tilly and the client.

Baker Tilly has **Quality Assurance** (QA) leaders in each region and for most significant industries. This allows for efficient and close collaboration on issues that arise within an engagement. Nearly all issues are resolved at the local or regional level, and the Village's engagement team will have access to a regional QA leader. In the event an issue cannot be resolved locally or regionally, the matter would be reviewed by our national QA group.

All Baker Tilly engagements are subject to a standard internal quality review process by an independent reviewer, separate from the engagement team, with industry specialization. In addition, Baker Tilly engagements are evaluated by regional leaders to identify engagements with greater complexity. Such engagements go through an enhanced engagement quality review process.



# Profile of the Proposing Firm

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



If the Village decides to pursue the GFOA CAFR, be aware that Baker Tilly has an impressive record of certificate submissions for our clients. The following current Illinois, Wisconsin, and Iowa clients received the GFOA certificate of achievement during the years that Baker Tilly conducted their audit.

This list is testament to the quality of the financial audits performed by our firm.

### GFOA CAFR recipients

Counties	Cities	Villages	Other entities
Lake County, IL	City of Evanston, IL	Village of Park Forest, IL	Metropolitan Water Reclamation District of Greater Chicago, IL
McHenry County, IL	City of Highland Park, IL	Village of Downers Grove, IL	Northwest Suburban Municipal Joint Action Water Agency, IL
Will County, IL	City of Moline, IL	Village of Lemont, IL	Greater Rockford Airport Authority, IL
Peoria County, IL	City of Prospect Heights, IL	Village of Orland Park, IL	Milwaukee Metropolitan Sewage District, WI
Scott County, IA	City of Wheaton, IL	Village of Schaumburg, IL	Waukesha County Technical College, WI
Dane County, WI	City of Madison, WI	Village of Brown Deer, WI	Oak Creek Water & Sewer Utilities, WI
Marathon County, WI	City of Janesville, WI	Village of Germantown, WI	Milwaukee (WI) Public Schools
Milwaukee County, WI	City of Beloit, WI	Village of Bayside, WI	
Racine County, WI	City of Brookfield, WI	Village of Grafton, WI	
Walworth County, WI	City of Eau Claire, WI		
Waukesha County, WI	City of Neenah, WI		

We continue to be heavily involved with the GFOA award for excellence in financial reporting by volunteering staff time to serve as report reviewers for the GFOA. Tom Scheidegger, Heather Acker, and John Rader are among eighteen Baker Tilly professionals who perform CAFR reviews for GFOA.



## Profile of the Proposing Firm

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### **Our qualifications and experience translate into high-quality, thorough, and efficient audit services**

Baker Tilly is one of the oldest and largest certified public accounting and consulting firms in the US. Baker Tilly originated in 1931 with one central objective: to use our expertise to help our clients improve their operations. Originally a certified public accounting firm, we have grown steadily over the years, broadening our service offerings and expanding our geographic presence to meet the evolving needs of our clients.

Below are some key facts about Baker Tilly:

- > Provides a wide range of accounting, tax, assurance, and consulting services by more than 2,500 total staff members, including 289 partners and 1,047 CPAs
- > Ranks as one of the twelve largest professional services firms in the United States

We will adopt a team approach to the Village's engagement, blending our government-focused professionals with experienced specialists in the service areas and departments of the Village. This combination of industry-specific expertise ensures you will be working with knowledgeable professionals who understand the Village and the challenges you face—and can create innovative solutions to help you overcome them. And, because the Village will be working with a single engagement team, you can expect to receive consistent, efficient, and exceptional service.

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

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

Since 2004, we have provided audit, tax, and consulting services to the Village. We are proud to have served the Village and would welcome the opportunity to continue this relationship—one built on the foundation of successfully meeting your needs. Our depth of knowledge and experience with you are at a level that may not be found in another firm. This experience will translate into savings of Village staff time and resources.



# Profile of the Proposing Firm

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## Our industry specialization approach

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

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

- > Our specialists keep abreast of new developments and trends that may impact your industry and will regularly provide newsletters, trainings, and industry alerts with updates and answers to your financial and governmental questions
- > Our specialists are active in national and state organizations, participate in ongoing continuing education to obtain industry certifications, and speak and author articles on industry trends

Our devotion to government organizations is manifested in our public sector practice group, a group with a commitment spanning more than fifty years and a team of more than 220 professionals—including 45 partners—dedicated entirely to serving governmental clients.

As a leading provider of financial statement audits, and one of the top three A-133 single audit providers in the US, we understand the challenges facing states, counties, municipalities, school districts, and special district governments. We understand the issues governments face, providing hundreds of thousands of hours annually to the public sector.

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

Because the Village's engagement team members specialize in the governmental industry, they are already familiar with many of the challenges and opportunities of governments. As a result, they are better equipped to address the unique issues you face. In addition, their success and experience working with the Village and other public sector clients enable them to apply strategies and techniques that have been successful with similar clients.

Our public sector clients rely on our expertise to meet their specific auditing, accounting, and operational needs. The Village can expect a practical approach, technical insight, and a thorough understanding of the governmental audit world as we work on the Village's behalf, delivering the precise services you need, when you need them.





# Profile of the Proposing Firm

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## **Independence**

Baker Tilly and its partners and staff are independent with respect to the Village as defined by generally accepted auditing standards and the US General Accounting Office's *Government Accountability Standards*, and we will maintain an independent attitude and appearance through the full term of the engagement.

Formal independence guidelines are contained in our Employee Handbook based upon rules and regulations established by the Comptroller General of the United States, AICPA, and Illinois CPA Society (ILCPA Society).

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

## **Single audit experience ensures knowledge of OMB A-133 complexities**

Should the Village require a single audit, we are highly qualified to perform this service.

Since the passage of the Single Audit Act of 1984, Baker Tilly has recognized the importance of becoming specialists in this highly complex area. Our firm currently performs more than 500 OMB Circular A-133 audits each year, ranking our firm in the top three, nationally, based on number of audits. Our single audit clients include the City of Chicago, Lake County, McHenry County, and Will County in Illinois.

To continually stay on top of the changing requirements, our firm serves on various AICPA committees studying financial and single audit issues. We have been selected as speakers for nationally sponsored training courses, and we actively participate in industry events. Heather Acker and Tom Scheidegger are our firm representatives in these national opportunities. Both have specialized in single audits for their entire careers.

Our firm is also asked to review and comment on various single audit documents created by the AICPA and OMB prior to their issuance.



## Profile of the Proposing Firm

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### **Thought leadership (including complimentary webinars) demonstrates knowledge we will share with you**

New standards are now being issued on a regular basis by standard-setting bodies. To better prepare our clients for the changes resulting from these standards and to share best practices, we offer monthly client-training webinars. These webinars are free to our clients and qualify for continuing professional education (CPE). Recently, we hosted webinars on:

- > Developing, implementing, and sustaining an effective Enterprise Risk Management (ERM) program
- > Financial Policies 101
- > OMB Uniform Grant Guidance: Developing a successful implementation plan
- > Managing your ERP implementation project
- > Healthcare reform: Where are we now? An employer's guide to 2014–2016
- > Preventing procurement fraud in the public sector
- > Government combinations and disposals of operations: GASB 69 and practical applications
- > Effective IT budgeting
- > OMB Grant Reform: An overview of the recent changes and tips to help ensure your compliance
- > GASB 67 and 68: Accounting and reporting for pensions
- > Understanding your financial statements
- > Succession planning: Why it is still relevant
- > How human resource management can impact your bottom line
- > GASB changes on the horizon (update on GASB 51)
- > Auditing 101: Everything you need to know about the annual audit
- > Enhancing collection of your revenues
- > Understanding your financial statements

All webinars are archived and can be viewed at any time on our website, [bakertilly.com](http://bakertilly.com).

Webinars are just one of our complimentary services for clients. Our quarterly *Government Connections* newsletter and our alerts bring you updates and suggestions to educate your staff and support your operations. We also develop and maintain client benchmark data for use in financial highlights and presentations. And, of course, your team will field your routine questions throughout the year—not just at the time of the audit.

See Appendix B for a list of other industry presentations made by our professionals.



# Profile of the Proposing Firm

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## **Additional services—if and when you need them**

Government leaders face complex challenges. These include heightened expectations from taxpayers to eliminate fraud, waste, and abuse; increased oversight and monitoring of complex regulatory compliance standards; and shrinking operating budgets. Government agencies are faced with additional pressure to be more transparent and accountable through better data collection and comprehensive analysis while also reducing costs and enhancing the internal control environment. Baker Tilly understands the fine line and balance between an agency's needs and the mandate for greater integrity throughout the system.

Baker Tilly state and local government professionals help clients meet their most complex challenges. We provide proven, practical solutions through the comprehensive resources of our state and local government audit and assurance team, our state and local government consulting team, and our business advisory services professionals.

## **Solutions designed to optimize your performance**

### ***Consulting services***

- > Budget reviews
- > Contract compliance
- > Data analytics
- > Early intervention and distressed municipality financial analysis reviews
- > Financial modeling
- > Forensic investigations
- > Fraud and corruption detection
- > Governance and risk management services
- > Healthcare consulting
- > Integrity monitoring
- > Internal audit
- > Litigation support
- > Process improvement
- > Risk assessments
- > Training and development

### ***Assurance services***

- > Agreed-upon procedures
- > Construction audits
- > Contract pre-award
- > Direct and indirect costs audits
- > Disaster recovery audits (FEMA and CDBG-DR)
- > Federal Acquisition Regulation audits
- > Information technology audits
- > Insurance examinations
- > OMB Circulars A-123 and A-133 compliance audits
- > Performance audits

More thorough descriptions of some of these services follow.



## Profile of the Proposing Firm

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### **Tax increment financing (TIF) districts: Financial statement audits, reports, and more**

The majority of our governmental clients rely upon us for the preparation of their annual financial statements as well as the audit and preparation of their annual TIF district reports. Because we provide these services so often, we are able to prepare these reports accurately and efficiently, allowing your staff to apply valuable time and resources toward other municipal needs.

As you know, a proactive TIF strategy can help you maximize your TIF to achieve tax base enhancement, job creation, and business development. Our staff of economic development, real estate, and financial specialists helps local governments develop community-driven TIF approaches to investing public funds in meaningful development projects that meet community objectives and create catalytic economic impact. Baker Tilly works with clients every step of the way to evaluate developer performance, perform ongoing financial reviews and auditing, and identify creative solutions to underperforming districts. We are proud of our work with municipalities to transform communities via TIFs and other tools to help communities prepare for and attract quality investment.



### **Targeted utility consulting services include cost-of-service studies and rate design, and impact fee and wastewater connection fee studies**

Our dedicated team of consultants who serve Baker Tilly's energy and utility clients focuses on evaluating risks and processes related to various operational and compliance issues. We assist with financial modeling, provide decision-support analysis, and collaborate on answering a variety of business-related questions.

Baker Tilly's standing as a leader in accounting and advisory services for the energy and utility industries includes providing our municipal utility clients with cost-of-service studies and rate design. We provide numerous water and wastewater studies each year. We work with communities to review connection/impact fees and conduct public fire protection studies. In addition to financial audits, our specialists explore available financing for project improvements and assist with long-range financial forecasting.

We help as many as fifty utility clients a year plan major capital projects that require creative rate and funding solutions. This gives Baker Tilly a broad view of industry issues and a specific familiarity with utility goals in this area.

We can incorporate staff consultants from our energy and utilities team for input of data, reconciliation of schedules, other duties as needed for an effective and economic study. All staff that who work on these studies work only with utilities.



# Profile of the Proposing Firm

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## Business and technology consulting

Organizations today face an increasingly complex business landscape that's changing at an accelerated pace. New technologies are emerging rapidly, government regulations are growing, competition is changing, and the workforce is more dynamic than ever. Baker Tilly brings innovative views of the market, solutions, business practices, and strategies to our clients, and we do so with speed. We help our clients implement foundation applications, such as ERP, CRM, and HR, and we build in the capabilities to exploit new technologies, such as cloud computing, social media, mobile, and advanced analytics. (See Appendix B for a more thorough description of business and technology consulting specifically for state and local government.)



## Resource optimization for state and local governments

In an increasingly competitive and scrutinized environment, the ability to assure funding sources and organizational stakeholders that resources are expended toward highest value is a requirement. We help organizations to remain competitive and sustainable, and ensure mission success by offering "in-demand" programs and services at the lowest cost feasible without impacting program integrity or service quality. We examine the following to determine the highest and best use of resource allocated:

- > Administrative cost containment
- > Organizational structure and workflow
- > Service and program demand trends
- > Staffing level, type and competency analysis
- > Total cost per program and function
- > Staffing capacity and optimization modeling
- > Stakeholder experience metrics
- > Operational and process efficiency
- > Facility maximization
- > Feasibility studies

For a more thorough description of our resource optimization services for state and local governments, see Appendix B.

## Litigation support and forensic accounting

In the event of litigation or a legal dispute, Baker Tilly can provide the Village with litigation support, including expert testimony and forensic accounting services. Our litigation support professionals qualify as expert witnesses in both state and federal court. Baker Tilly also provides independent fraud and forensic services to businesses with exposures that include business disputes, embezzlement, and allegations of financial malfeasance.





## Profile of the Proposing Firm

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### **Recruiting services**

Baker Tilly Search & Staffing, LLC can assist the Village with talent acquisition and staff augmentation for your finance and accounting team. From assisting with work overload due to special projects to leading a confidential search for a new CFO, we can help you build out or supplement your existing team. Clients benefit from our disciplined approach, financial and accounting specialization, and depth of local market knowledge—all with a goal of helping you get your work done accurately and efficiently.

### **Risk advisory services**

Organizations that cultivate a culture of risk awareness gain a competitive advantage in the marketplace. Through development of a robust system of efficient and effective internal controls, Baker Tilly can help you monitor and mitigate risk and stay compliant with complex regulations. We can assist in identifying and understanding risk across your organization and integrate risk considerations into the decision-making process, creating a tailored, sustainable solution.



# Service of the Proposer

## E. Service of the Proposer

### 1. Number of professional auditing staff by employee classification

Among more than 2,500 employees, our governmental audit staff consists of **more than 220 professionals who serve government clients exclusively**. We will serve the Village's engagement with professional staff from the Chicago region of our state and local government group, but at any time we are prepared to draw upon our additional resources located throughout the firm. Chicago region offices include Chicago, Oak Brook, Milwaukee, Janesville, and Madison. Here are the audit staff numbers for those offices.

Audit staff employee classification	Number	Number of CPAs	Number assigned to Long Grove
Partner / Principal / Firm Director	55	55	3
Senior Manager	45	43	1
Manager	34	33	--
Senior Accountant / In-Charge	68	47	1
Staff Accountant	114	18	2
Accounting Assistant	28	9	--
<b>TOTALS</b>	<b>344</b>	<b>205</b>	<b>7*</b>

\*We will include an eighth person in a support/administrative role. The numbers above also do not include Sarah Schleede, who may be enlisted to provide water utility rate studies and/or provide municipal utilities expertise.



# Service of the Proposer

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## 2. General audit plan or approach in conducting the audit

You have requested audit proposals for three fiscal years ending April 30, 2015 through 2017. The scope of our audit includes a financial audit of the basic financial statements and may include a compliance audit of the Village's federal awards, if ever needed. Our audits will meet or exceed all performance specifications listed in the request for proposals.

Our audit will be made in accordance with generally accepted auditing standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA); the AICPA audit guide, Audits of State and Local Governmental Units; *Government Auditing Standards* issued by the US Government Accountability Office (GAO); and OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, if required.

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

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

- > A report on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States, a report on the required supplementary information (RSI), and an "in-relation-to" report on the fair presentation of supplemental information
- > An audit of the Village of Long Grove's Downtown Tax Increment District (TIF), including its compliance with the State of Illinois Public Act 85-1142
- > A report to management containing appropriate suggestions for improvement of accounting procedures and internal control
- > Assistance with the preparation of the financial statements and implementation of GASB standards, as needed

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



## Service of the Proposer

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At the conclusion of each audit, we will prepare a written report to the Village Board that covers the following:

- > Auditor's responsibility under *Government Auditing Standards*
- > Other information in documents containing audited financial statements
- > Planned scope and timing of the audit
- > Significant accounting policies, including any changes to them
- > Accounting estimates
- > Financial statement disclosures
- > Difficulties performing the audit
- > Significant audit adjustments, including proposed audit adjustments
- > Disagreements with management
- > Consultations with other independent accountants
- > Management's representations
- > Independence
- > Other findings or issues
- > Other matters

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



# Service of the Proposer

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## Audit plan methodology

We strive to provide high-quality audit, accounting, and advisory services to our clients. Using integrity, objectivity, competence, and due care, our personnel will conduct your engagement professionally and on time.

## Our objectives

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

When we perform an audit, we stress understanding our client's operations and the unique factors that differentiate the organization. We develop a thorough understanding of your activities, operating systems, personnel, and special needs, using this information to plan a complete, but efficient audit. **Areas that require more attention are identified, and unnecessary or redundant procedures are eliminated.**

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

We understand the needs of governments, and our audit philosophy considers the special issues you face. Although our audit objective is to provide an independent opinion on the Village's financial statements, we will be flexible in working with you, leveraging your internal resources wherever possible. This approach will help manage your costs and streamline communication.



# Service of the Proposer

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## Audit approach

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

### Audit phases



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

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

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

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



# Service of the Proposer

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

## Our techniques include:

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

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





# Service of the Proposer

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## Significant audit dates

Milestone	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Preliminary financial audit fieldwork												
Detailed audit plan / schedule / prepared-by-client (PBC) list												
Financial audit fieldwork												
Draft reports to the Village												
Opinion on financial statements, TIF audit, report on internal control												
Presentation to the Village Board												
Ongoing management support												

We will be flexible with our fieldwork schedule and can make adjustments to fit the Village's needs. We start every engagement with a mutually agreed-upon timeline. Using that timeline, we develop and commit to a customized Client Service Plan to ensure there are no surprises along the way; and, at every step, we let you know where things stand.



# Service of the Proposer

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## Segmentation of the engagement

We have a proven audit approach that is tailored to the Village and includes eight work segments of the audit. Those segments, along with the anticipated audit procedures for each segment, have been taken one step further and customized for the Village and are outlined below.

### 1. Engagement planning and administration

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

### 2. Risk assessment and internal controls

- > Perform entity-wide risk assessment procedures
- > Conduct SAS 99 interviews
- > Determine major transaction cycles
- > Perform evaluations of internal controls over major transaction cycles
- > Complete information technology risk assessment
- > Test internal controls as applicable
- > Determine reliance on internal controls and resulting substantive audit procedures

### 3. Cash and investments

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



# Service of the Proposer

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## 4. Revenue

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

## 5. Expenditures

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

## 6. Property

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

## 7. Financing/equity

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



# Service of the Proposer

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## 8. Financial reporting

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

### Staff hours on audit

Estimates of the time requirements for the 2015 audit to be provided by staff level are as follows:

	Partner	Manager	Senior / In-charge	Staff	Totals
Planning and administration	9	25	20	16	70
Risk assessments and internal control	1	2	3	4	10
Cash/investments	0	1	2	6	9
Revenues	2	3	25	5	35
Expenditures	1	1	3	15	20
Property	1	1	2	4	8
Financing/equity	1	2	5	0	8
Financial reporting	5	20	30	5	60
<b>Total hours</b>	<b>20</b>	<b>55</b>	<b>90</b>	<b>55</b>	<b>220</b>

The audit hours are based on what we have actually spent, on average, over the past couple of years. The above hours do not include the audit of the Village's TIF district, which we estimate to be an additional thirty (30) hours.



# Service of the Proposer

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## Sample sizes and statistical sampling

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

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

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

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

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

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

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



# Service of the Proposer

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## **Analytical procedures**

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

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

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

## **Understanding the Village’s internal controls**

Under the audit risk assessment standards, we perform a thorough evaluation of the effectiveness of internal controls in order to perform risk assessments and design a risk-based audit program.

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

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

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

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



# Service of the Proposer

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## Client assistance and involvement

We anticipate that a maximum of four auditors would be on site at the Village's administrative offices and/or the Village's accountant's office at any given time. We realize the value and importance of performing our audit work on-site and will make every attempt to complete all of our audit work while our auditors are at your offices. It is in both our interest and the Village's interest to minimize the list of outstanding items once we leave the worksite. Therefore, we would request the following:

- > Secure office space capable of accommodating four auditors
- > Sufficient number of desks or tables to accommodate the auditors
- > Access to a copy machine
- > Inquiry access to the computer system
- > Internet access

If additional administrative needs or requirements become apparent during the audit, we will discuss such requirements with appropriate Village personnel. It is our intent to require minimal disruption of the Village's staff or physical facilities.

We anticipate assistance by Village (and their accountants) personnel would include:

- > Preparation of detailed schedules reconciling trial balance amounts; typically this includes all balance sheet accounts and select income statement accounts that would be identified prior to the audit
- > Preparation of conversion schedules for government-wide financial statements
- > Working trial balances
- > Reconciliation of department records to the general ledger
- > Other assistance as necessary
- > Access to online terminal and printer

We will provide you with a detailed prepared-by-client (PBC) list to help prepare for the audit, and we will utilize the work papers you have traditionally prepared as much as possible.



# Service of the Proposer

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## **Determining laws and regulations subject to audit test work**

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

## **Compliance testing approach**

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

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

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

For programs that involve both significant personnel costs and costs from outside sources, our approach would be a combination of the procedures identified above.

Because we also are testing for compliance with administrative laws and regulations, we will be testing representative samples from each major program. Most of our testing will involve the eligibility of persons assisted by that program. We will select case files to review from the Village's records of clients served during the period.

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



# Service of the Proposer

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

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

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

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

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

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

If a single audit is required, we will use the following documents for guidance in determining the laws and regulations applicable to the Village's federal award programs:

- > The Single Audit Act Amendments of 1996
- > GAO Government Auditing Standards
- > OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations
- > OMB Circular A-133 Compliance Supplement
- > OMB Circular A-87 Cost Principles for State and Local Governments
- > Code of Federal Regulations
- > Catalog of Federal Domestic Assistance

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

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

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

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



## Service of the Proposer

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### 3. Additional recommendations to enhance Baker Tilly's service to Long Grove

Based upon our history and past service provided to the Village of Long Grove, additional services may be recommended beyond the audit of the financial statements and the Tax Increment Financing District. These services may include:

- > An annual review of the water service charge to comply with Village ordinances; pricing for this service has traditionally been \$750 or less
- > A forecast of the Tax Increment Financing District to project estimated future ability to pay obligations; pricing for this service has traditionally been \$500 or less
- > Budgetary assistance; pricing for this service would be at rates detailed within the Professional Fees section of this proposal; routine calls and questions will be provided at no cost to the Village
- > Implementation of accounting standards (GASBs) to comply with Generally Accepted Accounting Principles (GAAP); pricing for these services would be at rates detailed within the Professional Fees section of this proposal and can vary significantly based upon level of effort, how they apply to the Village's operations, and advance preparation of necessary materials by the Village and their accountants
- > If the Village ever desired to prepare a Comprehensive Annual Financial Report (CAFR) for submission to the Government Finance Officers Association, we would work with the Village and its accountants to make the necessary changes to its financial statements; while the effort to prepare a substantial report such as a CAFR may outweigh the benefits obtained for the Village, our experience with CAFRs and their requirements is above and beyond that of other firms. If the Village and its accountants were to prepare the necessary additional requirements of a CAFR (Management's Discussion and Analysis, Statistical Section, Transmittal Letter), we estimate that the additional audit fees would be \$2,000. If the Village requested Baker Tilly to prepare the additional requirements of a CAFR, pricing would be at rates detailed within the Professional Fees section of this proposal.



# Service of the Proposer

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## 4. Professional staff assigned to the Long Grove account

### Specially selected for the Village

All staff members assigned to the Village’s audit are full-time Baker Tilly staff who specialize in government accounting and auditing and single audits.

The people we have chosen to serve you are experienced personnel who routinely deal with complex client situations in the government environment. They have the knowledge and professionalism to work with the Village in a responsive and constructive manner, and they bring to the engagement the necessary balance of technical discipline, imagination, and common sense. As a team, they will conduct a highly coordinated, efficient, and cost-effective audit of the Village.

Professionals who are industry specialists as well as seasoned business advisors, they will understand your needs, will be proactive and creative in identifying issues, and will be flexible in providing solutions. Each member of your engagement team is deeply committed to providing the Village with Exceptional Client Service.

Team member	Name/title	Engagement role
	Thomas A. Scheidegger CPA Partner	<b>Engagement partner</b> Ensure audit is completed according to plans in the proposal, timelines and quality standards are met, and client expectations are exceeded
	Heather S. Acker, CPA Partner	<b>Relationship partner</b> Ensure the relationships and continuity previously established between the Village and Baker Tilly continue under the new contract; provide technical or partner assistance as determined appropriate based on requests from Village management and the audit team
	Jason Coyle CPA Partner	<b>Pre-issuance review partner</b> Review technical aspects of the engagement, assure quality control, and provide a second opinion or alternative view when necessary



## Service of the Proposer

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	<p>John W. Rader, CPA, MBA Senior Manager</p>	<p><b>Engagement manager</b> Serve as primary client contact, oversee all aspects of the audit, including audit planning, fieldwork, and reporting</p>
	<p>Justin Hoagland CPA Accountant</p>	<p><b>In-charge</b> Conduct the day-to-day operations of audit fieldwork, including the completion of audit testing and preparation of financial reports</p>
	<p>Chris Follen Accountant</p>	<p><b>Staff accountant</b> Conduct the day-to-day operations of audit fieldwork, including the completion of audit testing and preparation of financial reports</p>
	<p>Alex Wuestenberg Accountant</p>	<p><b>Staff accountant</b> Conduct the day-to-day operations of audit fieldwork, including the completion of audit testing and preparation of financial reports</p>
	<p>Sarah Schleede CPA Senior Manager</p>	<p><b>Senior manager</b> Prepare water utility rate study and serve as utilities resource</p>



# Service of the Proposer

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Our professionals are here because they want to be here. Because of our company's philosophy and environment, we do not turn over our entire audit staff every few years. **As we have proven to you throughout the years**, we will keep the same people on the job for as long as possible. This allows us to be as efficient as possible and minimize the amount of time Village staff and their accountants spend learning to work with new people.

See Appendix A for resumes of your engagement team members. Resumes include qualifications, experience and training, as well as relevant continuing professional education.

### Opportunity for partner or staff rotation at your request

Our depth of knowledge can offer you a fresh perspective. Sometimes you may feel that it is appropriate to obtain a "new look" or fresh perspective from your audit firm. If you ever decide that is the case, Baker Tilly can accommodate you. With 220 people who work full-time in public sector auditing, we are able to replace part or all of the audit team to obtain a fresh point of view. The best part is that you benefit because we do not need to recreate all of the file documents and background data that a new firm would, so you can have a new look without the cost of switching firms.

### Senior level of commitment

We would like to point out the senior level of commitment to this engagement:

Level	Percent
Partners	10%
Senior managers	25%
Senior / In-charge	40%
Staff	25%
TOTAL	100%

All team members are available to consult with the Village staff on a daily basis throughout the year. As we have proven to the Village throughout the years, many of the more complex issues faced by the Village have been assigned to the partner / senior manager level. You should expect this to continue.



## Service of the Proposer

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### **Continuing professional education (CPE) training**

In order to ensure that our staff meets your expectations, we require all professional staff to obtain a minimum of 120 continuing professional education credits (CPE) every three years, with no fewer than 20 credits in any given year, allowing them to keep current with industry regulations. We also follow the professional education requirements of *Government Auditing Standards* which require 24 governmental CPE credits every two years.

In addition, we provide training to governmental associations such as the Illinois Government Finance Officers Association, the AICPA, and other organizations on various topics, including new accounting standards and internal controls. Some of our clients have used Baker Tilly to provide customized, local training to their staff. In addition, we have hosted seminars on governmental topics for more than 30 years.

### **Staff continuity**

Our unique corporate culture and our commitment to being an Employer of Choice attract some of the brightest and most skilled professionals and foster a high staff retention rate. Our professionals are here because they want to be here. Because of our company's philosophy and environment, we do not turn over our entire audit staff every few years. We will keep the same people on the job for as long as possible. This allows us to be as efficient as possible and minimize the amount of time your staff spends learning to work with new people. In addition to a highly qualified engagement team, the full complement of our entire firm's personnel and resources will be at your disposal.

If an employee on your engagement team leaves Baker Tilly, the size of our practice will allow us to quickly deploy a replacement. The bench strength of our state and local government group means any replacement personnel will have the skills and industry experience required for the Village's audit, minimizing any disruption to your engagement. Of course, we will seek approval for the new team member from the Village.

**See next section for billing rates.**



## Professional fees

### Professional fees

We have prepared a fee estimate for the Village based on the needs and objectives you have shared with us and our experience conducting similar audit engagements with similar clients—including the Village. Our estimate allows for thorough and insightful advice and services from experienced professionals without unnecessary add-ons or start-up charges.

Services	2015	2016	2017
Financial audit	\$24,300	\$25,000	\$25,750
TIF audit	\$ 1,900	\$ 2,000	\$ 2,100
<b>Total</b>	<b>\$26,200</b>	<b>\$27,000</b>	<b>\$27,850</b>

Our proposed fees are based on the assumption that there will be minimal client-initiated or audit-adjusting entries posted to the general ledger once fieldwork commences. Our fees do not include bookkeeping or accounting assistance for preparation of audit work papers; however, we work with our clients to minimize additional costs.

We are sensitive to cost control and work diligently to minimize our fees through adequate planning, detailed client audit or review preparation lists, and other means, all while maintaining high quality standards.

Fees for any service can vary due to factors such as hourly billing rates, mix of staff, and actual hours of performance. A low fee is not a bargain if adequate attention is not given to the client or the service is less than that which the professional should provide.

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

Fees for additional services such as water rate studies and TIF projections (if requested by the Village), and implementation of yet-to-be-implemented accounting standards (GASBs) will be billed separately based upon effort required, similar to prior years. In the past, these services have cumulatively been \$1,500 or less per year. The above fees are under the assumption that a single audit to test for compliance with laws and regulations for federal awards received will not be necessary.



## Professional fees

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### Additional services / billing rates

In the event a unique or complex issue arises, we will work with you to determine the level of assistance required and arrange an appropriate fee for our services. We always will tell you if the assistance you require is outside the scope of our agreed-upon engagement and will ask for your approval before we begin additional work or bill you.

Incidental phone calls are not considered among these special projects and will be of no charge to you. Special projects and consulting will be charged within the following ranges of rates, depending upon the service provided.

Rates	
Partner	\$195–\$320
Senior manager	\$140–\$230
Manager	\$100–\$165
Senior accountant	\$90–\$150
Staff	\$80–\$130
Administrative	\$60–\$100



## Appendix A: Resumes

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**Thomas A. Scheidegger, CPA**

*Partner*

800 362 7301, x42302

[thomas.scheidegger@bakertilly.com](mailto:thomas.scheidegger@bakertilly.com)

Thomas Scheidegger, partner in the state and local government group, has been with Baker Tilly Virchow Krause, LLP since 1978. He specializes in serving local governmental units including cities, towns, villages, and counties as well as public housing authorities and special districts. He has extensive experience in providing financial audits, single audits, and a variety of local government consulting services.

### Specific experience

- > Partner-in-charge of accounting and financial auditing services for forty municipalities, counties, and public housing authorities
- > Partner-in-charge of public housing authorities regulated by HUD, with REAC reporting experience and multiple HUD grants
- > Partner-in-charge of single audits for counties, cities, villages, and towns
- > Partner-in-charge of Baker Tilly's public sector single audit practice
- > Partner-in-charge of Tax Incremental Financing (TIF) district financial and compliance audits
- > Partner-in-charge of Agreed Upon Procedures engagements including HUD REAC reporting and Illinois Circuit Clerk Audit Guidelines
- > Has experience with many different types of computer and software applications including large networked systems
- > Licensed in Wisconsin and Illinois
- > GFOA CAFR Reviewer



## Appendix A: Resumes

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Thomas Scheidegger, page 2

### Industry involvement

- > American Institute of Certified Public Accountants (AICPA)
- > AICPA – Governmental Audit Quality Center Executive Committee (2007–2010)
- > Wisconsin Institute of Certified Public Accountants (WICPA)
- > Government Finance Officers Association (GFOA)
- > Wisconsin Government Finance Officers Association (WGFOA)
- > Illinois Government Finance Officers Association (IGFOA)
- > Association of Government Accountants (AGA) Southern Wisconsin Chapter, Board of Directors
- > Institute of Management Accountants (IMA); past Board of Directors for the Madison Chapter and led academic relations and special projects committees
- > Served on several WICPA committees including Public Instruction Committee; Governmental Accounting and Reporting Conference Committee; Vocational, Technical, and Adult Education Committee; Chairman of the Single Audit Guide Committee; Federally Assisted Programs Committee; and Competence Aid Review Day Reviewer
- > Speaker on a variety of accounting and financial reporting topics for local and regional associations as well as at Baker Tilly–sponsored seminars
- > Publications/contributions include:
  - AICPA State and Local Government Audit Risk Alerts (2006–2010)
  - AICPA Government Auditing Standards and Circular A-133 Audit Guide (2005–2009)

### Education

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

### Relevant continuing education

- > AICPA national governmental conferences and training programs
- > AICPA national annual governmental and nonprofit updates
- > Government Financial Officers Association (GFOA) conferences and training programs including GAAP updates
- > Wisconsin GFOA conferences and meetings
- > WICPA governmental accounting updates
- > Accounting and auditing updates sponsored by Baker Tilly
- > Public sector single audit training sponsored by Baker Tilly
- > “HIPAA Privacy and Security for Professional Service Providers” (Baker Tilly)
- > “Designing Tailored Audit Approaches” (Baker Tilly)



## Appendix A: Resumes

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**Heather S. Acker, CPA**

*Partner*

**Chicago 312 729 8188 | 800 362 7301, x48188**

**heather.acker@bakertilly.com**

Heather Acker, partner in the state and local government group, has been with Baker Tilly Virchow Krause, LLP since 1997. She specializes in serving the financial needs of state and local government clients. Heather has experience with numerous types of financial and compliance audits including A-133 single audits. She has also helped many municipalities implement various Governmental Accounting Standards Board (GASB) pronouncements.

### Specific experience

- > Partner-in-charge of the financial audits of numerous municipalities and counties
- > Partner-in-charge of single audits in accordance with OMB Circular A-133
- > Reviews and provides technical assistance to local governments in preparing Comprehensive Annual Financial Reports that receive the GFOA certificate
- > Provides Tax Incremental Financing (TIF), Business Improvement District (BID), and Special Service Area (SSA) auditing, reporting, and consulting services
- > Presents financial and audit reports to local government boards and committees
- > Provides GASB strategic planning and implementation services to clients
- > Provides guidance on accounting policies and procedures to improve the operation of the accounting function and strengthen internal controls
- > Provides a variety of accounting and budgeting assistance to municipalities
- > Member of the Baker Tilly firmwide Assurance Steering Committee
- > Chair of the Baker Tilly single audit accounting and auditing committee
- > Oversees coordination of firmwide single audit training and annual audit program updates
- > Licensed CPA in Illinois and Wisconsin



## Appendix A: Resumes

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Heather Acker, page 2

### Industry involvement

- > American Institute of Certified Public Accountants (AICPA)
- > AICPA Government Audit Quality Center (GAQC) Executive Committee (2012–present)
- > AICPA State and Local Government Expert Panel (2009–2012)
- > AICPA Government Accounting and Auditing Conference Committee (2013–present)
- > Government Finance Officers Association (GFOA)
- > GFOA Special Report Review Committee
- > Wisconsin Institute of Certified Public Accountants (WICPA)
- > Illinois Government Finance Officers Association (IGFOA)
- > Wisconsin Government Finance Officers Association (WGFOA)
- > Speaks at national and regional industry conferences
- > Authors published articles on municipal accounting issues
- > Recognized contributor to:
  - AICPA “State and Local Government Audit Guide”
  - AICPA “Government Auditing Standards and A-133 Audit Guide”
  - AICPA “State and Local Government Audit Risk Alert”
  - AICPA “Government Auditing Standards and A-133 Audit Risk Alert”
  - AICPA “State and Local Governments Illustrative Financial Statements”
- > Oversees the Baker Tilly local government client webinars

### Education

University of Wisconsin–Madison  
Bachelor of Business Administration in Accounting



## Appendix A: Resumes

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Heather Acker, page 3

### Relevant continuing education

- > Generally Accepted Government Auditing Standards (Yellow Book) training
- > AICPA national annual Governmental and Nonprofit Training Program (GNTP), speaker
- > AICPA national Governmental Accounting and Auditing Conference (GAAC), speaker
- > Government Financial Officers Association (GFOA) conferences and training programs including Generally Accepted Accounting Principles (GAAP) updates
- > AICPA Governmental Audit Quality Center (GAQC) annual webcast updates, speaker
- > AICPA “Single Audit Roundtable” sessions
- > GFOA national conferences, speaker
- > Accounting and auditing updates (Baker Tilly)
- > Public sector single audit training (Baker Tilly)
- > GASB seminars
- > “IT Risk Assessment Standards (RAS) Training for Auditors” (Baker Tilly)
- > “HIPAA Privacy and Security for Professional Service Providers” (Baker Tilly)
- > “Assurance Risk” webinar (Baker Tilly)
- > “Tax Incremental Financing” (Baker Tilly)
- > “Designing Tailored Audit Approaches” (Baker Tilly)
- > Wisconsin GFOA conferences and meetings, speaker
- > WICPA governmental accounting updates
- > Accounting and auditing 2013 “ASL Inspector Training” (Baker Tilly)
- > “The Ups and Downs of Rightsizing” (Baker Tilly)
- > “Independence: Historical Insights and Today’s Rules” (Becker Professional Education)
- > “Common Fraud Schemes in Government” (Baker Tilly)



## Appendix A: Resumes

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**Jason K. Coyle, CPA**

*Partner*

**630 645 6205**

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

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

### Specific experience

- > Partner-in-charge of financial and compliance related audit engagements for local governmental entities
- > Routinely assists local governments with the implementation of new accounting standards issued by the Governmental Accounting Standards Board
- > Reviews and provides guidance for Comprehensive Annual Financial Reports, which have been awarded a “Certificate of Achievement for Excellence” in Financial Reporting
- > Performs internal control reviews of municipalities and school districts, providing recommendations on policies and procedures to strengthen internal controls
- > Provides Tax Incremental Financing (TIF) compliance audits
- > Partner-in-charge of single audits in accordance with OMB Circular A-133 Audit Guidelines
- > Presents annual audit and financial results to various client boards
- > Leads operations reviews designed to improve the efficiency and effectiveness of business and finance operations
- > Member of the Special Review Committee of the GFOA which reviews financial statements submitted to the CAFR program
- > Licensed CPA in Illinois

### Industry involvement

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



## Appendix A: Resumes

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Jason Coyle, page 2

### **Education**

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

### **Relevant continuing education**

- > Government Accounting and Auditing Updates
- > Baker Tilly Municipal Audit Training Sessions
- > Government Finance Officers Association sponsored seminars
- > Single Audit Training Sessions
- > Frequent Frauds Found in Governments



## Appendix A: Resumes

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**John W. Rader, CPA, MBA**  
*Senior Manager*

**800 362 7301, x42431**  
**john.rader@bakertilly.com**

John Rader, senior manager in the public sector practice group has been with Baker Tilly Virchow Krause, LLP since 2001. He specializes in providing financial auditing and consulting services to governmental units including counties, cities, villages, and towns as well as the University of Wisconsin Athletic Department, airports, healthcare facilities, and several state agencies.

### Specific experience

- > Senior manager-in-charge of accounting and financial auditing services for counties, municipalities, and other governmental entities
- > Manages single audits of federal and state awards for counties and municipalities
- > Reviews and provides technical assistance to local governments in preparing Comprehensive Annual Financial Reports that receive the GFOA certificate
- > Provides Tax Incremental Financing (TIF), Business Improvement District (BID), and Special Service Area (SSA) auditing, reporting, and consulting services
- > Presents financial and audit reports to local government boards and committees
- > Works on Passenger Facility Charge Reports for FAA
- > Audits several municipal airports and healthcare centers
- > Provides GASB strategic planning and implementation services
- > Assists with consulting services to local and state governments
- > Prior to his employment with Baker Tilly, performed local government audits in the State of Minnesota for seven years
- > Provides various types of accounting assistance
- > Performs agreed upon procedures
- > Licensed to practice in the states of Wisconsin and Illinois

### Industry involvement

- > American Institute of Certified Public Accountant (AICPA)
- > Wisconsin Institute of Certified Public Accountants (WICPA)
- > Wisconsin Government Finance Officers Association (WGFOA)



## Appendix A: Resumes

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John Rader, page 2

### **Industry involvement (cont.)**

- > Illinois Government Finance Officers Association (IGFOA)
- > Government Finance Officers Association (GFOA) Certificate of Achievement reviewer
- > Authors articles on internal controls and emerging issues affecting local governments
- > Speaks at industry conferences and Baker Tilly–sponsored seminars

### **Education**

University of St. Thomas–St. Paul, Minnesota  
Master of Business Administration; concentration in Accounting

University of Wisconsin–Madison  
Bachelor of Science in Economics

### **Relevant continuing education**

- > Numerous single audit training sessions
- > “HIPAA Privacy and Security for Professional Service Providers” (Baker Tilly)
- > Public sector single audit training (Baker Tilly)
- > GFOA annual GAAP updates
- > “Fraud in Government: Is Your Entity at Risk for Fraud?” (Baker Tilly)
- > Public sector accounting and auditing updates (Baker Tilly)
- > Wisconsin GFOA conferences and meetings
- > AICPA “The 2013 OMB Compliance Supplement and Proposed Single Audit Reforms”
- > Accounting and auditing 2013 “ASL Inspector Training” (Baker Tilly)
- > “IT Risk Assessment Standards (RAS) Training for Auditors” (Baker Tilly)
- > WICPA “Accounting, Auditing, and Financial Management Update”
- > “Independence: Historical Insights and Today’s Rules” (Becker Professional Education)
- > “Believe it, or ...” (Debt issuance, financial policies, and Tax Increment Financing) (Ehlers)



## Appendix A: Resumes

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**Justin D. Hoagland, CPA**

*Accountant*

**800 362 7301, x2497**

**justin.hoagland@bakertilly.com**

Justin Hoagland, accountant with Baker Tilly Virchow Krause, LLP, joined the firm in 2012. He specializes in providing accounting and auditing services, as well as single audits, to state and local government entities. This includes counties, cities, villages, towns, and other governmental agencies.

### Specific experience

- > Prepares financial statements for state and local governments
- > Assists with single audits of governmental units including cities, towns, villages, and counties
- > Assists with financial audits of governmental units including cities, towns, villages, and counties
- > Performs audits and compilations of Tax Incremental Financing (TIF) districts
- > Assists clients with implementation of standards of the Governmental Accounting Standards Board (GASB)

### Industry involvement

- > American Institute of Certified Public Accountants (AICPA)
- > Wisconsin Institute of Certified Public Accountants (WICPA)

### Education

University of Wisconsin–Madison  
Bachelor of Business Administration in Accounting and Finance

### Relevant continuing education

- > Baker Tilly state and local government training session
- > Audit Watch
- > A-133 single audit training sessions
- > Accounting, auditing, and financial management update



## Appendix A: Resumes

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### **Christopher E. Follen**

*Accountant*

**800 362 7301, x46778**

**chris.follen@bakertilly.com**

Chris Follen, accountant with Baker Tilly Virchow Krause, LLP, has been with the firm since 2013. Chris is a member of the state and local government team and specializes in providing auditing and accounting services to state and local government entities. Clients include municipalities, counties, and other governmental agencies.

### **Specific experience**

- > Prepares financial statements and state reports for state and local governments
- > Provides auditing and accounting services consisting of planning, fieldwork, and audit completion for government units including cities, towns, villages, and counties
- > Assists with single audit compliance testing of governmental units including cities, towns, villages, and counties
- > Performs financial audits for Tax Increment Financing (TIF) districts

### **Education**

University of Wisconsin–La Crosse  
Bachelor of Accounting and Finance

### **Relevant continuing education**

- > “Independence: Historical Insights and Today’s Rules” (Becker Professional Education)
- > “Fraud in Governments: Is your Entity at Risk for Fraud?” (Baker Tilly)
- > Public Sector accounting and auditing updates (Baker Tilly)
- > Public Sector single audit training (Baker Tilly)



## Appendix A: Resumes

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**Alex J Wuestenberg**

*Accountant*

**800 362 7301, x42686**

**alex.wuestenberg@bakertilly.com**

Alex Wuestenberg, accountant with Baker Tilly Virchow Krause, LLP, has been with the firm since 2014. Alex is a member of the state and local government team and specializes in providing auditing and accounting services.

### **Specific experience**

- > Provides financial audits of municipalities, counties, and other government entities
- > Compiles financial statements for clients
- > Prepares annual reports for the Wisconsin Department of Revenue and Illinois Comptroller

### **Education**

University of Wisconsin–La Crosse  
Bachelor of Business Administration in Accounting



## Appendix A: Resumes

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**Sarah S. Schleede, CPA**

*Senior Manager*

**608 240 2310**

**sarah.schleede@bakertilly.com**

Sarah Schleede, senior manager on the energy and utilities team, has been with Baker Tilly Virchow Krause, LLP since 2004. She specializes in providing financial auditing, accounting, and consulting services to municipal utilities and joint action agencies. Sarah leads executive-level accounting management outsourcing engagements and also has experience in utility rate consulting as well as developing revenue requirements, cost of service allocations, rate designs, and connection fee calculations.

### Specific experience

- > Manages numerous financial audits of enterprise funds including municipal electric, water, sewer, and storm water utilities and transits, as well as electric cooperatives and joint action agencies
- > Provides A-133 compliance audits of federally funded programs
- > Develops electric, water, and sewer revenue requirements; cost of service allocations; and rate design for utilities
- > Prepares financial forecasts, long-range plans, and cash flow projections for municipal utilities
- > Leads outsourced accounting management projects, including management of client staff and oversight of client's ISO market settlement procedures
- > Provides consulting services for public utilities including agreed-upon procedures and contract settlements
- > Audit, review, and compliance service experience
- > Performs federally funded state programs compliance audits
- > Assists in on-the-job audit staff training
- > Reviews contract compliance for utilities, universities, and transportation
- > Serves as a member of firm-on-firm peer review team
- > Industry experience includes utilities, transportation, higher education, commercial banking, construction, and information technology



## Appendix A: Resumes

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Sarah Schleede, page 2

### Industry involvement

- > American Public Power Association (APPA)
- > American Institute of Certified Public Accountants (AICPA)
- > Wisconsin Institute of Certified Public Accountants (WICPA)
- > Texas Society of Certified Public Accountants
- > Speaks on accounting and financial reporting topics at national and regional conferences as well as at Baker Tilly sponsored seminars
- > Authors nationally and regionally published articles on utility regulation and accounting issues
- > Contributing author in the APPA Advanced Accounting Manual

### Education

Texas State University–San Marcos  
Bachelor of Business Administration

### Relevant continuing education

- > Annual GASB, FASB and AICPA updates
- > Numerous Single Audit Training Sessions



## Appendix B: More about Baker Tilly

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### Quality control

Professionalism in the accounting industry means independence, integrity, and objectivity. This is accomplished through unwavering adherence to professional standards and the associated laws and regulations. This includes withstanding all pressures, competitive and other, which could compromise our principles, standards, and quality.

We have developed our own policies and procedures in order to provide reasonable assurance that every audit, tax, and accounting engagement will be completed in accordance with professional standards that the public and our clients expect us to meet. We have numerous stages of review before a finished product is issued.

As members of the AICPA, we are required to develop and maintain a quality control document that outlines major areas of quality control as follows:

- > Independence, integrity, and objectivity
- > Personnel management
  - Hiring
  - Assigning of personnel
  - Professional development
  - Advancement
- > Acceptance and continuance of clients and engagements
- > Engagement performance
  - Performance
  - Consultation
- > Monitoring

Our quality control document and our adherence to its provisions are subject to an independent outside review, which is required every three years. Our substantial governmental service practice requires significant portions of our external quality control review be directed to governmental engagements. In the past, we had received a “clean” opinion, the highest level of assurance obtainable with respect to our audit practices, in all of our peer reviews. The peer review standards changed effective for all peer reviews conducted after Jan. 1, 2009. Under the new peer review standards, a firm receives a peer review rating of pass, pass with deficiencies, or fail. Our most recent peer review report was completed in September 2012 and earned a rating of “pass,” with no letter of comments. ***A copy of our 2012 Peer Review is included on the next page.***

In addition to the external peer review, we perform internal office inspections annually. This ensures that we are maintaining our audit quality at the highest possible standards. Our firm also performs external peer reviews for numerous CPA firms throughout the United States.

Baker Tilly’s auditing procedures and working papers are in full compliance with the applicable federal and state guidelines as indicated elsewhere in this proposal. Because of the large volume of governmental work and numerous single audits we do every year, our working papers and procedures often undergo review by regulatory agencies.



# Appendix B: More about Baker Tilly





## Appendix B: More about Baker Tilly



Our active involvement in AICPA and its committees means we are able to provide the Village with timely and relevant industry information. It also allows us to be a sound resource to the Village as complex or routine accounting and auditing issues arise.

Group	Purpose	Firm membership	Dates
Governmental Audit Quality Center (GAQC)	To promote the importance of quality governmental audits, serve as a resource to member firms, provide members with online tools for sharing ideas, and recognize CPA firms that demonstrate a commitment to governmental audit quality.	Baker Tilly Virchow Krause, LLP	Since its inception
Technical Issues Committee (TIC)	TIC is a committee of CPA practitioner volunteers working to represent the views of local firms and small-to medium-size governments in the standards setting process.	Vicki Hellenbrand, Partner, GASB TIC member; Dave Johnson, Partner, FASB TIC member	2013–present
State and Local Government Expert Panel	This committee serves the needs of the AICPA members regarding financial and business reporting and audit and attest matters. The expert panel protects the public interest by bringing together knowledgeable parties in the state and local government industry to deliberate and come to agreement on key state and local government issues.	Carla Gogin, Partner (Heather Acker, Partner, is a former member; Don Rahn, a retired audit partner, served 2004–2008)	2012–present
GAQC Executive Committee	This committee governs the GAQC, develops the policies of the GAQC, and oversees its activities. The committee meets twice a year, held in conjunction with the Single Audit Roundtable (SART), which includes federal inspectors general, federal agencies, and CPA firms.	Heather Acker, Partner (Tom Scheidegger, Partner, is a former member, 2007–2010)	2012–present
Auditing Standards Board (ASB)	The ASB is the AICPA's senior committee for auditing, attestation, and quality control applicable to the performance and issuance of audit and attestation reports for non issuers.	Kim Tredinnick, Partner	2010–2013
Peer Review Oversight Reviewer – Single Audits	To review the quality of peer reviews performed on OMB Circular A-133 audits (single audits).	Heather Acker, Partner (Tom Scheidegger, Partner, is a former member, 2014)	2014–present



## Appendix B: More about Baker Tilly

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Baker Tilly Chairman and CEO Tim Christen began his one-year term as Vice Chair of the AICPA on October 1, 2014. Tim has also served on the Board of Directors of the AICPA and as chair of the organization's Major Firms Group. He is a former member of the AICPA National Council (governing body of the AICPA).

Kim Tredinnick, partner and member of the firm's risk management group, served on the AICPA's Auditing Standards Board, the National Association of State Boards of Accountancy, and the AICPA's Technical Standards Sub-Committee.

In addition, Jeff Gendreau, partner and member of the firm's board of partners, serves on the AICPA's National Peer Review Committee. Several other Baker Tilly partners have served in various positions with the AICPA, as well.



## Appendix B: More about Baker Tilly

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### Thought leadership

Some recent thought leadership examples that may be of interest to the Village include:

#### Relevant industry contributions:

Resource	Years	State and local government partner contributors
AICPA State and Local Government Audit and Accounting Guide	2005–2008 and 2010–2014	Carla Gogin (2013–2014), Heather Acker (2010–2012), and Don Rahn (2005–2008)
AICPA Government Auditing Standards and Circular A-133 Audit Guide	2005–2009 and 2011–2014	Heather Acker (2011–2014) and Tom Scheidegger (2005–2009)
AICPA State and Local Governmental Audit Risk Alert	2005–2012	Carla Gogin (2013–2014), Heather Acker (2011–2012) and Don Rahn (2005–2008)
AICPA GAS and A-133 Audit Risk Alert	2012–2013	Heather Acker (2012–2013) and Tom Scheidegger (2006–2010)
GASB Implementation Guide	2003	Don Rahn (2003)



## Appendix B: More about Baker Tilly

### National conferences speaking engagements (2012-2014):

Event type	Session topic	Speaker
2014 GFOA National Conference	Recognizing it when you see it: What fraud looks like in the public sector	Vicki Hellenbrand, State and Local Government Partner
	Grants Management: New and Improved	Heather Acker, State and Local Government Partner
2014 AICPA National Government Accounting and Auditing Update Conference	Single Audit update	Heather Acker, State and Local Government Partner
	GASB 65	Heather Acker, State and Local Government Partner
2014 AICPA Government and Not-for-Profit Training Program	Advanced Single Audit Issues	Heather Acker, State and Local Government Partner
	Internal Control Over Compliance	Heather Acker, State and Local Government Partner
2013 AICPA National Governmental Accounting and Auditing Update Conference	Best Practices in Implementing Group Audits; Group Audits Clarified SAS – Putting it All Together and More	Heather Acker, State and Local Government Partner
	The Challenges of Auditing State and Local Governments in Such an Uncertain Environment	Heather Acker, State and Local Government Partner
2013 AICPA Government and Not-for-Profit Training Program	Single Audit Internal Control over Compliance; Single Audit Evaluations and Reporting Findings and Single Audit Assembling Components of the Reporting Package	Heather Acker, State and Local Government Partner
	Implementation Considerations of AU-C 600 Group Audits	Carla Gogin, State and Local Government Partner
	GASB No. 69 and Practical Applications:	Carla Gogin, State and Local Government Partner
2013 GFOA National Conference	Getting Intentional about Fraud	Carla Gogin, State and Local Government Partner
	Some Assembly Required: Making the Audit Committee Work	Heather Acker, State and Local Government Partner
2012 AICPA Government Accounting and Auditing Conference (GAAC)	Implementation Issues of Newer GASBs	Heather Acker, State and Local Government Partner
	Determining the Appropriate GAAP to Follow and Reporting on Less than a Full Government	Heather Acker, State and Local Government Partner
2012 AICPA National Government and Not-for-Profit Training Program	Internal Control over Compliance and Compliance	Heather Acker, State and Local Government Partner
	Advanced Single Audit Issues	Heather Acker, State and Local Government Partner
2012 GFOA National Conference	Digging for Dirt: Detecting Fraud in the Public Sector	Carla Gogin, State and Local Government Partner



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### Wisconsin/Illinois Conference Speaking Engagements (2012–2014):

Event type	Session topic	Speaker
2014 Ehlers and Public Finance Seminar	<i>Financial Policies</i>	John Rader, Senior Manager, State and Local Government
2014 Clerks, Treasurers & Finance Officers Institute	<i>Pension Standards GASB No. 67 and No. 68 - What is all of the fuss about?</i>	Carla Gogin, Partner, State and Local Government
2014 WICPA School District Training	<i>OMB Grant Reform – Super Circular</i>	Heather Acker, State and Local Government Partner
2014 ILCPA Society	<i>New Audit Guidance from OMB</i>	Heather Acker, State and Local Government Partner
2013 PA/DPIA Annual Conference	<i>GAAP Update</i>	John Knepel, State and Local Government Partner
2013 Illinois GFOA Conference	<i>Effective IT budgeting</i>	Shelley Fulla, Senior Manager, State and Local Government
	<i>New Pension Accounting and Reporting Standards – GASB No. 67 and 68</i>	Jason Coyle, Partner, State and Local Government
2013 Wisconsin GFOA Fall Conference (September)	<i>CAFR Preparation, Improvements, and Qualifications</i>	Carla Gogin, Partner, and Paul Frantz, Manager, State and Local Government
	<i>Audit Preparation and Readiness</i>	John Knepel, Partner, and John Rader, Senior Manager, State and Local Government
2012 Illinois GFOA Conference	<i>Common Fraud Schemes in Government: Identifying, Preventing, and Handling Employee Dishonesty</i>	Carla Gogin, State and Local Government Partner
	<i>Succession Planning</i>	Shelley Fulla, State and Local Government Consulting, Senior Manager
2012 Wisconsin GFOA Spring Conference (April)	<i>Internal Controls Over the Treasury/Cash Function – Are They Sufficient?</i>	Carla Gogin, State and Local Government Partner
2012 Clerk & Treasurers Institute	<i>Understanding Financial Statements and GASB Update</i>	Amanda Blomberg, State and Local Government, Senior Manager
2012 Wisconsin GFOA Winter Conference (November)	<i>Using “Lean” Concepts to Rightsize Your Organization</i>	Christine Smith, State and Local Government Principal



## Appendix B: More about Baker Tilly

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### Additional services

#### Consulting for governments

##### Valuable insights, innovative ideas

For projects of all sizes, hundreds of state, county, city, village, township, school, and special district governments rely on Baker Tilly for management and operations consultation, solutions, and resources.

Doing more with less is a common reality faced by all governments. With our budget reduction services, receive careful problem-solving and comprehensive summaries for your financial analysis, budgeting, technology, and other operational concerns. And we go far beyond those somewhat basic services and consult on intricate matters, such as shared service arrangements, impact fee studies, and human resources.

We don't stop at cost cutting or containment. We also know how to increase revenue through exploring new opportunities and programs and maximizing the financial results of services, such as electric, cable, water, and sanitation. We even have a 30-person group specializing in utility price recommendations.

##### Solutions beyond the basics

- > Budgeting with the help of professionals lends credibility and provides advance knowledge of fiscal condition, letting you effectively control costs, plan, and manage your financial performance
- > Financial planning and feasibility studies stabilize state taxes and local property tax levies, project revenues and expenditures, and consider assumptions from which elected officials can prioritize alternative spending and revenue-raising options
- > Financing vehicle selection (e.g., long-term bonds, tax anticipation financing, certificates of indebtedness) is aided by our strong relationships with public financing firms
- > Fraud prevention techniques reduce your risk or, if you think there's already a problem, we explore fraud allegations and perform litigation support and testimony
- > Impact fee studies let growing communities anticipate and prepare for growth, capital improvements, and other future costs of providing services
- > Sharing services may permit higher quality services for taxpayers at lower costs
- > It is tricky to negotiate and structure merging services or even agencies; we've helped several clients consider and work out the costs and benefits of one community buying services from another, and the financial and program feasibility of transferring services to another unit of government
- > Treasury and cash management consulting improves the return on available invested cash and reduces costs incurred in the process
- > Civic Systems, LLC is our affiliate, offering municipality-specific software for your lease in utility billing, accounting, and payroll

Through our years of government practice, we've developed a strong understanding of the variables common to successful and effective management.



## Appendix B: More about Baker Tilly

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### Business technology consulting

We have decades of experience analyzing and improving local government operations. Specifically, we have performed comprehensive budget reduction projects, operational audits, internal controls reviews, future-state strategy design work, and process reengineering projects. Through this, we have gained extensive knowledge of daily activities and specific needs and issues within the full spectrum of local government operations. Whether reworking the process used to manage fleet resources or analyzing the spend relative to public works contracts, we are intimately familiar with best practices, effective use of technology, and sound internal controls across a local government.

Baker Tilly offers the Village our methodology and our team's skill and knowledge, developed through years of successful projects involving:

- > Experience and knowledge in accounting, budgeting, procurement, accounts payable, billing, accounts receivable, revenue collections, financial reporting, risk management, cash management, project accounting, grant accounting, work orders, and capital asset accounting
- > Software planning, vendor selection, and implementation advisory services
- > Process improvement and future state design work to adopt common, core software practices and reduce customizations
- > Public sector accounting and financial needs assessments
- > Extensive entity-wide budget reduction assessments
- > Systems integration analysis and interface design work
- > User acceptance testing
- > Internal control design and auditing
- > Financial audit work
- > Project management and governance
- > Project risk and change management
- > Reporting and data warehousing
- > Implementation audit and advisory services
- > Post-implementation support

We understand the need to leverage technology effectively in this environment of shrinking resources and increased service demands. Baker Tilly has extensive experience working with many state and local clients in pursuit of effective and cost-conscious technology project outcomes to support their operations. We have a successful track record with completing technology assessments, IT strategic plan development, and system definition projects involving complex technical situations and unique functional requirements in the public sector. We have helped foster success with major software evaluation and implementation initiatives from the start and have worked alongside clients to ensure they are getting the most of their investment by working through functionality issues with vendors. We also realize that the most expensive solution doesn't necessarily mean you are getting what you specifically need. We are accustomed to assessing and finding right-sized solutions to be certain you are only paying for and seeking out that which serves your specific needs.



## Appendix B: More about Baker Tilly

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### **Breadth of application and software analysis experience**

Baker Tilly has a deep and active practice in packaged software. We have completed more than 90 software evaluations and more than 50 software implementations since 2002, each with detailed scoping, process improvements, and project-planning deliverables. More than 70 Baker Tilly professionals focus on providing effective software and application solutions. Their experience, knowledge, methodology, and independence are evident in the more than 30 different software packages that have been selected or implemented by our clients.

### **Effective vendor management**

Our extensive experience in IT strategy, software selection, and local government operations improvement gives us the unique ability to foresee implementation needs and design the entire selection process to hold the vendor accountable from selection through implementation. Baker Tilly has worked with clients on public sector software implementations, providing recommendations as an independent eye to the implementation; assisting in design and workflows; testing software functionality against business requirements, process design documents, and contract requirements; auditing contractor milestones and phases; and assisting the organization pay only for services provided. We also review change orders and provide recommendations for scope management.

### **Assumed internal controls framework**

As CPAs and auditors, we are thoroughly familiar with best practice internal controls for local government. As part of the selection process, we will ensure the use of an internal controls framework through system and process development. We have internal control templates designed for all financial, procurement, project/grant accounting, work order / service order management, billing and receivables, and other processes. We will use this information to inform the selection process and help you to ensure that internal controls are implemented at the Village to meet best practices, audit standards, and assist you in realizing the benefits of software implementation.

### **Proven program and project management**

This type of a project is so much more than just developing an RFP and sending it out for response. At the core of all our solution selection processes is solid project management. We employ standard Project Management Institute (PMI) techniques and additional proprietary techniques to manage issues, control scope, and manage risks. Incorporating key milestones and ensuring your sign off and continuous calibration of efforts to available budget are crucial. In other words, certain things can significantly impact an effective process that results in a solution that can be both sustained and leveraged; our approach to managing the system selection is a critical step in realizing that return on investment in this financial solution.

### **Real knowledge transfer**

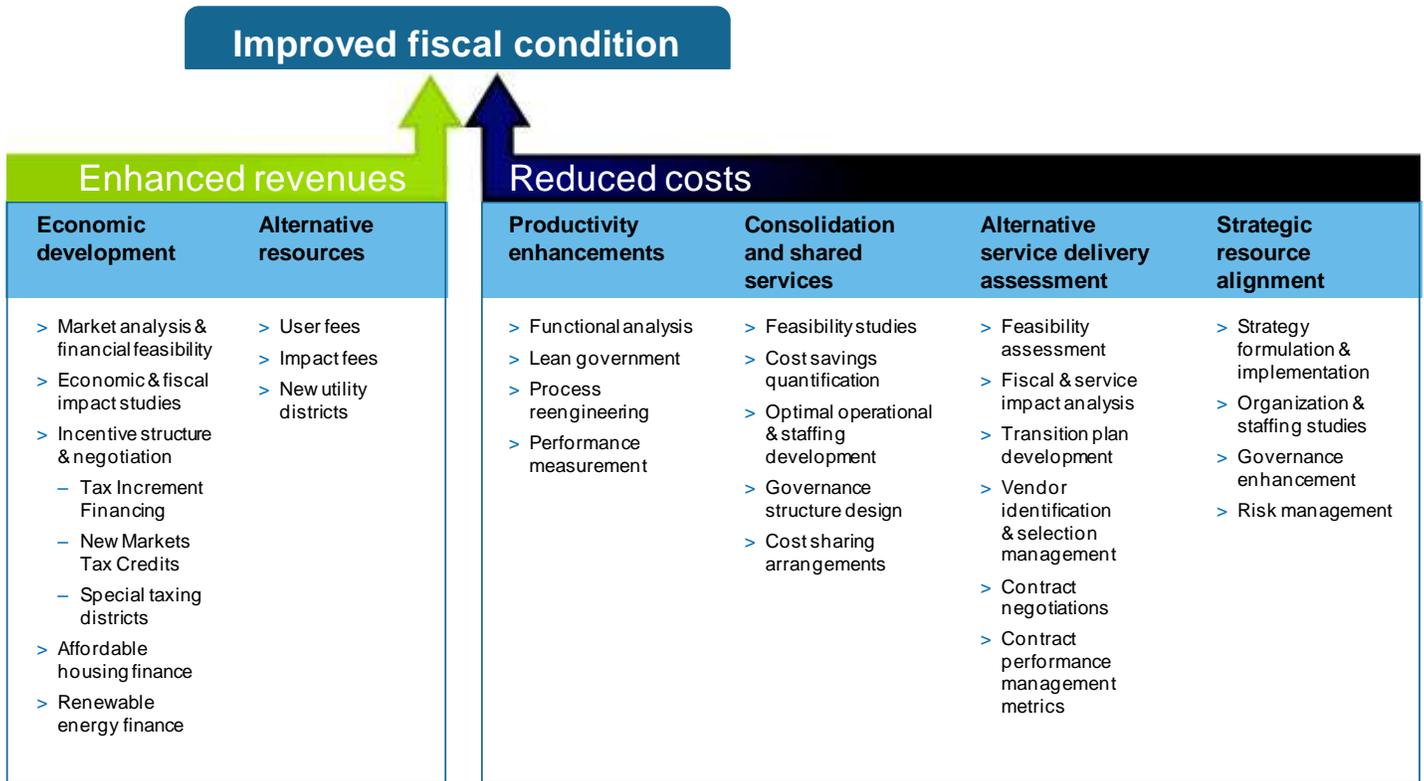
During implementation projects, we have developed specific defined tasks and measurement capabilities to accentuate focus on the transfer of our knowledge to your team, cultivate continued success in the ongoing maintenance of solutions, and enhance your capability for independent management and control of later project phases. We can also assist in training, process documentation, and user acceptance testing to help the Village understand and maintain the system in the future.



# Appendix B: More about Baker Tilly

We can help uncover opportunities to improve fiscal condition

In today's challenging fiscal environment, government organizations face increasing service expectations as available resources are constrained. State and local government specialists at Baker Tilly provide a range of accounting and advisory services to assist you with uncovering new opportunities to improve your overall fiscal condition. Our consulting professionals can offer solutions and leverage your scarce resources, transforming your organization's strategic priorities into sustainable outcomes. Our seasoned consultants can provide you with the following services:





## Appendix B: More about Baker Tilly

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### Our values

Throughout our relationship with the Village, we will be guided by our firm's core values—principles that guide our behaviors and choices and help us strive for excellence in everything we do.

#### Integrity

We do the right thing, for the right reason, every day. We have high expectations for our firm and its future—expectations that only can be realized by taking the high road. Honesty, trust, and the fulfillment of promises are paramount to our success.

#### Passion

Everything matters. We listen to our clients, display an enthusiastic attitude, experience genuine satisfaction from working together to serve clients, and take great pride from a job well done. We put forth our best effort every day for the betterment of our clients, our people, and our firm.

#### Stewardship

We invest for the future with the intention of leaving everything better. Our clients will be more successful, our people will be more fulfilled, our communities will be enriched, and our firm will leave a proud legacy.

### Community stewardship

We know the meaning and importance of good stewardship. Our associates contribute leadership, time, talent, spirit, and money to improve the communities where we live and work. Many employees support a variety of organizations by serving on boards and committees for community and not-for-profit organizations and by volunteering their time and talents to numerous fundraising and community service activities. Our firm is committed to making our communities great places to work and live.

Baker Tilly truly values the commitment our employees make to their communities. Their active involvement is supported through our HERO (Helping Enrich Relationships through Outreach) program. This program supports the efforts of our employees in community service activities by providing an annual allotment of time off with pay to full-time employees who volunteer their time to community service projects.

Stewardship. It is a core value that clearly focuses on investing for the future with the intention of leaving everything better. Our clients will be more successful, our people will be more fulfilled, our communities will be enriched, and our firm will leave a proud legacy.

#### Making a difference—in unique ways

As a firm, Baker Tilly supports organizations such as American Heart Association, Big Brothers Big Sisters, Boys & Girls Clubs, Habitat for Humanity, Leukemia and Lymphoma Society, Special Olympics, United Way, and YMCA.

For example, the firm offers ongoing help to United Way programs in all of our geographic markets through employee contributions and fundraising efforts. **Tim Christen, Baker Tilly chairman and CEO, serves as a member of the United Way of Metropolitan Chicago Tocqueville Society.**



## Appendix C: Exceptional Client Service

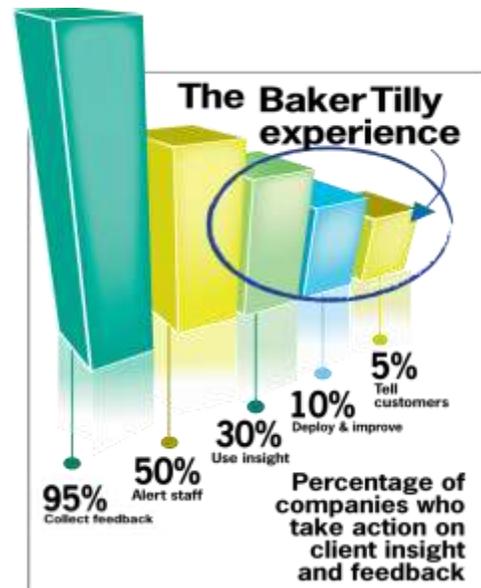
### The Baker Tilly difference is the client experience

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

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

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

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



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

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



## Appendix C: Exceptional Client Service

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

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

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

We ask clients to rate their satisfaction levels on a 1 to 10 scale (10 being highest). In the 12 months ended September 30, 2014, 79 percent of responding clients gave us 9 or 10. On average, clients who gave us a score of less than or equal to 7 gave us nearly 2 points higher the next time they were surveyed due to specific actions taken by our team to improve the client service experience. One such client, a Vice President of Finance, provided the following comment, "You asked. I told you, and you did something about it. And I really respect that."

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

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

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

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

In the twelve months ending December 31, 2014, 88 percent of Tom Scheidegger's and Heather Acker's clients have rated them >9, with an average rating of 9.58.