

**Gavin School District No. 37,
Illinois**

PROPOSAL

For the Years Ending:

June 30, 2020,
June 30, 2021
and June 30, 2022

Due Date:

December 3, 2019



Lauterbach & Amen, LLP

Certified Public Accountants

668 N. River Road

Naperville, Illinois 60563

Phone: 630.393.1483

Fax: 630.393.2516

lauterbachamen.com



PROPOSAL TO PROVIDE PROFESSIONAL AUDITING SERVICES



Gavin School District No. 37, Illinois

For the Years Ending: June 30, 2020, June 30, 2021 and June 30, 2022

Due Date: December 3, 2019

Contact Information

Ronald J. Amen, Partner

630.393.1483

ramen@lauterbachamen.com

Matt Beran, Partner

630.393.1483

mberan@lauterbachamen.com



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December 3, 2019

Gavin School District No. 37
Attn: Rebecca J. Allard
25775 West Highway 134
Ingleside, IL 60041

Lauterbach & Amen, LLP (L&A) is pleased to respond to your request to provide auditing services to the Gavin School District No. 37, Ingleside (School District).

Enclosed in this proposal are details about our practice, our people and our reputation for quality service to governments, as well as an outline of our audit approach and scope of the audit process. L&A is a firm entirely specialized in the governmental sector, allowing us to provide an unrivaled commitment to exceeding your expectations with regards to quality service, government specific expertise, and timing and approach of the audit process. Our five partners share a combined 100+ years of exclusive government experience, with past experience in nonprofit, tax and commercial clients. Their years of experience in the governmental sector will directly benefit the School District. L&A possesses the resources and drive to continually exceed your expectations.

At L&A our mission is to provide accounting, compilation, assurance, and consulting services to governments in the spirit of excellence and altruism. As a firm, we are committed to adhering to stringent moral standards in addition to the legally imposed professional standards and guidelines, priding ourselves in our flexible attitude towards accommodating our clients, and continually striving to be an elite personal client service firm. L&A will attain the highest quality employees who share our core values and capacities in order to continue to service our clients at the level at which they are accustomed. Our staff utilizes their expertise to educate clients with the anticipation that it will lead to accurate solutions to challenges that may arise in the daily course of financial activities. Our goal is to maintain personalized relationships with our current clients, while continuing to acquire new clients with the hopes of creating equally valuable bonds. At L&A we continually strive to distinguish ourselves from other accounting firms by emphasizing the following:

EXPERTISE

- Possessing exclusive expertise in the area of local government, as evidenced by our exemplary retention rate of the Certificate of Achievement for Excellence in Financial Reporting for clients with continual submissions to the program. L&A is also in the top ten firms nationally that submit audits to the Certificate of Achievement Program.
- Striving to continually be a proven leader in the government accounting industry and assisting our clients on the implementation of new, complex pronouncements and issues affecting local government, including one-on-one assistance with the understanding and implementation of these new pronouncements and issues. We will provide thorough and timely answers to any of your questions or needs.
- Maintaining a highly professional staff, each of which possess extensive knowledge in the area of local government, continually broadening their knowledge of local government issues through in-house training, involvement in various local government organizations and through continuing professional education programs.
- Engaging in audit planning, preliminary work and continual communication with our clients to ensure an efficient and quality audit process. This also ensures that audit issues will be identified early and solutions will be implemented timely.
- Providing professional audit and consulting services to over 250 local governments on an annual basis, and providing compilation and benefit services to over 250 police and firefighters' pension funds.

SERVICE AND QUALITY

- Allowing our clients to dictate scheduling needs related to the audit process and adhering to those needs. We continually meet or exceed the deadlines established by our clients.
- Identifying, communicating and assisting in the implementation of identified opportunities for improved and more efficient financial or procedural operations.
- Maintaining a program of continuity for multi-year engagements, including minimal rotation of the team, allowing for the establishment of efficient working relationships with the School District.
- Continually promoting communication with management from the beginning of our engagement and throughout the year. This includes an entrance conference and planning meetings with the School District, weekly meetings with management to review the progress of the engagement, if requested, an exit conference to discuss our findings and report production issues, meetings with elected officials during the evenings to answer questions regarding the audit and any other related issues, and continual communication throughout the year. We are committed to listening to your needs and customizing the audit process to meet those needs.
- Customizing our audit approach to focus on those areas that represent significant risk to the School District and any of the School District's uniquely complex issues.

CLIENT TRAINING OPPORTUNITIES

- Conducting annual training sessions with our clients in a small group setting covering such topics as: new GASB pronouncements, understanding the financial statements, identification of finance department efficiencies and best practices.
- Forming professional resource alliances with other businesses in the areas of human resources, tax and information technology so, if required and if permitted by current audit independence standards, we would be able to provide the School District the highest level of service.

We are very excited about the opportunity to serve the School District and are committed to providing the School District with quality service and commit to perform the work within the established time period. We believe we have talented people and the appropriate experience to provide you with a quality audit at a fair and competitive price. The Partners that are signing this proposal are entitled to represent the Firm, empowered to submit the proposal and authorized to sign a contract with the School District. This proposal is a firm and irrevocable offer for 60 days. If you have any questions about this proposal or need to discuss these matters further, please contact us. We look forward to your reply.

Respectfully Submitted,

Ronald J. Amen

Ronald J. Amen
Partner

Matt Beran

Matt Beran
Partner



FIRM PROFILE

Lauterbach & Amen, LLP (L&A) is based in Naperville, Illinois. Founded in 1997 by Sherry Lauterbach and Ron Amen, the firm provides clients with accurate, timely and personalized services that combine large-firm capabilities with small-firm values. Through the years, our services have evolved to meet the growing demands of our clients in the governmental, nonprofit and private sectors.

L&A clients can expect unparalleled service from an experienced team of knowledgeable professionals who double as valuable management resources.

SERVICES



Actuarial



Audit



Financial



Pension



Tax

5 Partners | 40+ Managers | 110+ Staff

INDUSTRIES

GOVERNMENT

NONPROFIT

PRIVATE SECTOR



Close Working Relationship with Management

A close working relationship with management on a year-round basis is the best way to provide our clients with the benefit of our depth of knowledge. This approach also allows for the timely resolution of questions and problems as they arise rather than after the fact. Through understanding the client's activities and a close working relationship with management, L&A can best respond to and help initiate programs that lead to improved operations and efficiencies.

An Audit is a People-Oriented Endeavor

The team at L&A recognizes that we are involved in a people-oriented endeavor. Our goals and objectives, therefore, are centered around this understanding.

We strive:

- To create an environment that encourages a high level of communication between the client and our team
- To provide clients with the highest attainable level of staff capabilities through selective recruiting and creation of a work environment that aids personal growth
- To continually improve the quality of our services
- To support our financial, business, professional and social communities

Firm Philosophy

We have a full-time commitment to accounting and financial reporting, with extensive expertise in the government and nonprofit sectors. Through our experience, we are able to help clients anticipate and prepare for changes in their operating environment. The value of our services lies not only in the performance of an efficient audit, but in our detailed review of finance practices, and our extensive knowledge of key topics affecting local governments. With our extensive experience in the field of local governmental accounting and auditing, we have served a substantial number of municipalities, park districts, libraries, special districts, school districts, pension funds, joint ventures, and various other governmental organizations. We have included a partial list of such entities as references, and would encourage you to contact any or all of them for references as to our qualifications and level of service. We have also provided our current client listing as evidence of our expertise in and commitment to governmental accounting and auditing.



Client Educational Opportunities

Helping to share our knowledge and expertise in the governmental industry is one of the greatest values we can bring to our clients. We are committed to continually reviewing our process to ensure an efficient audit, ensuring exemplary communication with our clients, and providing education on issues affecting local governments on a year-round basis. This no additional cost education includes annual group training sessions with our clients covering such topics as the implementation of GASB pronouncements, changes to auditing standards, understanding of the financial statements, identification of department efficiencies and best practices, and other statutory or hot topics affecting governments.

“L&A’s value add approach to an audit includes extensive no-cost client training throughout the year.”

This no additional cost education includes annual group training sessions with our clients covering such topics as the implementation of GASB pronouncements, changes to auditing standards, understanding of the financial statements, identification of department efficiencies and best practices, and other statutory or hot topics affecting governments.

A Strong Commitment to the Industry

Our involvement in the local government field includes active membership, support and participation in numerous professional organizations which serve the financial and management teams of local government, including:

- Government Finance Officers Association (GFOA)
- Illinois Government Finance Officers Association (IGFOA)
- Illinois CPA Society Committees on Governmental Accounting
- AICPA Government Audit Quality Center
- AICPA Nonprofit Center
- American Institute of Certified Public Accountants
- Illinois Municipal Treasurers Association (IMTA)
- Illinois Association of Park Districts/ Illinois Parks and Recreation Association (IAPD/IPRA)
- Illinois Association of School Board Officials
- Special Review Committee - Certificate of Achievement for Excellence in Financial Reporting (CAFR) - GFOA
- Illinois Library Association
- Township Officials of Illinois
- Technical Account and Review Committee (TARC) - IGFOA (Responds to GASB Pronouncement Exposure Drafts)
- Illinois Public Pension Fund Association (IPPPFA)
- Illinois Department of Insurance—Task Force

“Involvement in our industry’s organizations and providing educational support to those groups is a passion of our leadership team.”

In addition, we have written articles for publication, instructed training courses and done public presentations for a number of the organizations listed above.



Government Expertise = Extensive Services Available

It has been our experience that questions or problems may arise during the year for which a client might call upon us for assistance. The following is a partial list of the services we can provide to our clients:

- Financial reporting-assistance in the implementation of authoritative pronouncement requirements
- Assistance in obtaining or securing the Certificate of Achievement for Excellence in Financial Reporting (CAFR) from the Government Finance Officers Association (GFOA)
- Utility or enterprise funds-analysis, forecasting, rate structure, and consulting services
- Federal, state and local grant reporting requirements
- Budget-assistance in obtaining the Distinguished Budget Award from the GFOA, appropriation and tax levy documents
- Personnel Issues-evaluation and executive search
- Policies and procedures documentation and implementation
- Temporary staffing and training
- Pension fund related issues, including benefit calculations, funding analysis, etc.
- Human resources-taxability issues, fringe benefits, policies, etc.
- Outsourced finance and accounting department functions, including all levels of finance functions
- Taxpayer compliance-specialized audits for selected revenue sources

Communication is the Key

We consider it essential to maintain the lines of communication throughout the year. To attain this, we both formally (via meetings, letters, etc.) and informally (via telephone calls, emails, etc.) keep our clients advised of changes and recent developments related to governments.

Other Information

L&A has not had any federal or state desk reviews of its audits during the last three years. No disciplinary action has been taken against the firm during the last three years by state regulatory bodies or professional associations.



Quality Assurance

We are committed to providing the highest quality audit product to our clients during all phases of the audit. Our Quality Assurance Team is responsible for reviewing all financial statements before issuance, assisting in technical inquiries and reviewing workpapers and reports of all engagements to verify compliance with professional standards and our Firm's policies. At L&A we pride ourselves in providing a quality audit. As such, we are a member of the Private Companies Practice Section (PCPS) of the Division for CPA Firms of the AICPA, submitting our accounting and auditing practice to quality control reviews of our compliance with professional standards as established by the AICPA.

Peer Review

The firm undergoes an independent peer review of our accounting and auditing practice as a condition of membership in the American Institute of Certified Public Accountants (AICPA), the national organization of CPA's in public practice, industry, government and education. Our reports have been reviewed by numerous federal and state oversight agencies as well as other external professional agencies and organizations. Furthermore, there has never been any action taken against our Firm with any state or federal regulatory body or professional organization to which we have submitted our reports.

Independence

We require that all personnel inform the Firm of any lack of independence with respect to all clients. Specific guidelines to be followed are those set forth in the AICPA's Code of Professional Ethics. Additionally, we are in compliance with the standards established by the General Accounting Office (GAO). More specifically, we are completely independent with respect to the Gavin School District No. 37, Illinois.



L&A was ranked as the 20th largest accounting firm in the Chicagoland area, according to an annual survey published by Crain's Chicago Business.



FIRM PROFILE

License to Practice

The Firm and all key personnel are duly licensed to practice in the State of Illinois. Our State of Illinois license number is 066-003655.

DFK International/USA

Lauterbach and Amen is an independent member of DFK International, a worldwide association of independent accounting and management consulting firms, with locations in over 40 major markets throughout the United States and representation in over 85 countries worldwide. Our membership in DFK enhances our worldwide reach, provides us with additional resources, and expands the world of opportunity for our clients.

Conclusion

We are thrilled to have the opportunity to potentially work with the School District. We truly believe we have a passion for the government industry and a passion for providing a level of service well beyond just issuing you audited financial statements. Our approach to client service includes open year-round communication, a large network of resources to assist with even non-audit related questions, and a dedication to furthering education on our industry technical standards and best practices. At L&A you will be served by partners who are dedicated to the government industry and a group of over 150 L&A employees that share in that passion and spend all twelve months of the year working on government engagements.





Ronald J. Amen, CPA

Managing Partner

Mr. Amen has over 30 years of experience serving clients in the governmental sector. He has participated in numerous governmental engagements, including municipalities, park districts, school districts, State and Federal government entities, universities, nonprofits and other governments.

Educational and Membership Background

- University of Nebraska
- Certified Public Accountant
- American Institute of Certified Public Accountants
- Member of Government Finance Officers Association (GFOA) and Illinois GFOA
- Member of AICPA Government Audit Quality Center
- Member of Illinois Municipal Treasurers Association (IMTA)
- Member of Illinois Association of Park Districts/Illinois Parks and Recreation Association (IAPD/IPRA)
- GFOA Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting
- Instructor for IGFOA Training Courses
- Instructor for IMTA Training Courses



 668 N. River Road
 Naperville, Illinois 60563
 630.393.1483
 ramen@lauterbachamen.com

Governmental Accounting and Auditing Experience

Mr. Amen has managed numerous governmental engagements during his experience in public accounting. Assignments ranging from audits, single audits, TIF audits, performance reviews, budgeting, strategic planning, and other projects is a brief history of his background. Due to his extensive government background, Mr. Amen is often used as a resource for providing creative solutions to issues affecting local governments. Mr. Amen functions as a working partner, in that he is available and present during each phase of the audit process.

Mr. Amen has also participated in the management of some large commercial and nonprofit engagements. This experience includes audits, tax preparation, consulting and strategic planning for both commercial and nonprofit clients.



KEY ENGAGEMENT PERSONNEL

Jamie L. Wilkey

Technical Partner

Ms. Wilkey has over 18 years of professional accounting experience exclusively in the governmental sector. She has participated in numerous governmental engagements, including municipalities, park districts, school districts, libraries, special districts, nonprofits and various other units of government.

Educational and Membership Background

- Truman State University
- Northern Illinois University
- Member of Illinois Government Finance Officers Association (IGFOA)
- Member of Technical Accounting Review Committee (TARC) with IGFOA
- Member of Illinois Municipal Treasurers Association (IMTA)
- Member of Illinois Association of Park Districts/Illinois Parks and Recreation Association (IAPD/IPRA)
- GFOA Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting
- Instructor for IGFOA Training Courses
- Instructor for IMTA Training Courses
- Instructor for IPPFA Training Courses



668 N. River Road
Naperville, Illinois 60563



630.393.1483 ext. 227



jwilkey@lauterbachamen.com

Governmental Accounting and Auditing Experience

Ms. Wilkey’s experience in the governmental sector includes management of numerous units of government. Such assignments include annual audits, single audits, TIF audits, grant specific audits, and other related projects. Ms. Wilkey has been responsible for the management of numerous annual audits for government units, all of which has either received the Certificate of Achievement for Excellence in Financial Reporting (CAFR) Award from the GFOA in the first year of their submittal to the program or maintained their CAFR standing.

Ms. Wilkey also has extensive government consulting experience, which includes the responsibility for all financial operations of the government unit, including, but not limited to, the maintaining of the general ledger, trial balance, balance sheet and consolidated financials. Ms. Wilkey has also assisted numerous clients with payroll processing, budget preparation, supervision of accounts receivable, accounts payable and utilities billing processing, tax levies and related documents, and the recommendation and implementation of various finance/accounting department procedures and policies.



Matt R. Beran, CPA

Operations Partner

Mr. Beran has over 15 years of professional accounting experience, 11 of those are exclusively in the governmental sector. Prior to working in government, Mr. Beran was a supervisor at one of the Big 4 accounting firms. He has participated in numerous governmental engagements, including municipalities, park districts, school districts, libraries, special districts, nonprofits and various other units of government.

Educational and Membership Background

- Truman State University
- Certified Public Accountant
- American Institute of Certified Public Accountants
- Member of Illinois Government Finance Officers Association (IGFOA)
- Member of Illinois Municipal Treasurers Association (IMTA)
- Member of Illinois Association of School Board Officials (IASBO)
- Instructor for IMTA Training Courses
- Instructor for IASBO Training Courses

Governmental Accounting and Auditing Experience

Mr. Beran's experience in the government sector includes managing numerous governmental engagements. Assignments ranging from audits, single audits, TIF audits, performance reviews, budgeting, strategic planning, and other projects is a brief history of his background.

Mr. Beran has been responsible for the training of staff at Lauterbach and Amen. The training includes audit methodology and the specifics of governmental accounting, such as property taxes, debt, and full accrual versus modified accrual accounting. He researches new GASB pronouncements and gains an understanding of the change and how it will affect clients, audit staff, and the audit process. Then Mr. Beran passes along this knowledge to clients to ensure they understand what is changing.

Mr. Beran has also been responsible for various agreed-upon procedures including forensic audits. He has been able to observe various municipalities, park districts and libraries and prepare an extensive report on their current internal controls and procedures. Mr. Beran will also then give various suggestions on how to improve internal controls and procedures to improve efficiency and accuracy while still having proper segregation of duties.



668 N. River Road
Naperville, Illinois 60563



630.393.1483



mberan@lauterbachamen.com



Audit Team Key Personnel

Monika Adamski

Monika has 10 years of professional accounting experience exclusively in the governmental sector. She is a graduate of DePaul University. Monika is specialized in municipal and state agency audits as well as school districts and nonprofit entities and also specializes in internal control assessment for all governmental clients.

Tim Gavin

Tim has 13 years of professional accounting experience exclusively in the governmental sector. He is a graduate of Northern Illinois University and is a Certified Public Accountant. Tim is specialized in audits, accounting services and financial reporting. He retains highly specialized skills in accounting and auditing software.

Lia Lopez

Lia has 12 years of professional accounting experience exclusively in the governmental sector. She is a graduate of the University of Illinois at Chicago. Lia specializes in Library, Pension and Fire Protection District audits. She excels in internal controls implementation, financial statement preparation and staff training.

Jennifer Martinson

Jen has 7 years of professional accounting experience exclusively in the governmental sector. She is a graduate of the University of Miami and a Certified Public Accountant. Jen specializes in municipal audits, staff training and new hire training. The training includes audit methodology and the specifics of governmental accounting, such as property taxes, debt, and full accrual adjustments.

Brad Porter

Brad has 5 years of professional accounting experience exclusively in the governmental sector. He is a graduate of University of Saint Francis and a Certified Public Accountant. Brad specializes in staff development and the training and auditing of local governments and park districts.

Don Shaw

Don has 10 years of professional accounting experience, 8 of those years are exclusively in the governmental sector. He is a graduate of Northern Illinois University and is a Certified Public Accountant. Don specializes in municipalities, school districts and Uniform Grant Guidance single audit testing, reporting and submission.

Erin Sordo

Erin has 8 years of professional accounting experience exclusively in the governmental sector. She is a graduate of Missouri State University. Erin specializes in municipal audits and internal controls for all government clients. She has completed various agreed upon procedures for clients and prepared reports on their internal controls.

Ann Van Vooren

Ann has 10 years of professional accounting experience exclusively in the governmental sector. She is a graduate of Marquette University and is a Certified Public Accountant. Ann specializes in finalizing Comprehensive Annual Financial Reports for our clients - meeting the requirements established by the GFOA. Ann has completed the AICPA's Nonprofit Level I and Level II Certificate Program. She specializes in auditing and performing consulting services for municipalities and nonprofits.








AUDIT APPROACH

Overview

We are prepared to meet or exceed all requirements and expectations of the School District. The partners of L&A will be involved in all phases of the audit of the School District as outlined below. L&A does not use statistical sampling in any phase of the audit process. Sample sizes used for testing are in accordance with standards established by the profession and will be determined in the planning phase.

Throughout the audit process we will inform management of audit issues as they arise and maintain the highest level of professionalism in the identification and communication of these issues. Discussion of the issues will take place immediately following their discovery and will allow management ample time to rectify any issues.

	PHASE		TIMING	HOURS (EST)
	Phase 1	Planning	May	8 Hours
	Phase 2	Preliminary Fieldwork	May	12 Hours
	Phase 3	Fieldwork	August	68 Hours
	Phase 4	Drafts	September	18 Hours
	Phase 5	Audit Completion	October	8 Hours



GFOA Certificate of Achievement

L&A fully supports the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) Program. We have assisted many clients in obtaining their CAFR's and have submitted over a thousand of CAFR's to GFOA over the years. We also work with our clients in subsequent years on the implementation of any recommendations provided by the GFOA. We will respond to GFOA comments for improvement and take care of the filing of the necessary documents each year. We currently submit in excess of ninety reports to the GFOA on an annual basis and are in the top ten firms nationally that submit to the program.



Audit Scope and Standards

L&A will issue an opinion on the governmental activities, each major fund and the aggregate remaining fund information, including the notes to the financial statements, which collectively comprise the School District's financial statements, with "in-relation-to" coverage provided on the combining and individual fund financial statements and on any supplementary information. We will not provide an opinion on the Management Discussion and Analysis, but will provide customary review of this information. Introductory and Statistical sections of the Annual Financial Report, if applicable, will not be audited by us.

The audit will be conducted in accordance with generally accepted auditing standards, and, if a single audit becomes necessary, the standards for financial audits contained in Governmental Auditing Standards (2004), issued by the Comptroller General of the United States, and the Single Audit Act of 1996; and the provisions of Uniform Grant Guidance 2CFR-2000/OMB Circular A-133, Audits of State and Local Governments and Nonprofit Organizations.



AUDIT APPROACH

Phase 1: Planning



May

The purpose of the planning phase is to provide the foundation for the direction that the audit will take. During the planning phase of the audit we will hold an entrance conference with the School District to discuss the audit approach, develop a schedule for completing the audit, and review the areas that we will be focusing on during our audit procedures and testing.

The following is an outline of the key steps performed during the planning phase of the audit:

- Discussing and agreeing upon report formats to provide information which complies with generally accepted accounting principles. The format should be agreed upon during the planning phase of the audit to ensure timely issuance of the report. Our plan is to adopt a format similar to the previous year.
- Discussing availability of accounting records and source documents and developing a detailed list of schedules to be prepared by the School District.
- Developing a schedule for completing the subsequent phase of the audit.

Phase 2: Preliminary Fieldwork



May

Preliminary fieldwork is the next phase of the audit process and involves expanding our understanding of the School District and its finances through a review of various documents and through discussions with the School District. During this phase, we will begin the required study and evaluation of internal accounting controls as part of the financial and compliance audit.

The purpose of our study and evaluation will be to obtain sufficient knowledge and understanding of the internal accounting and administrative control systems used by the School District for reliance on the system of internal control and the degree of such reliance; or to aid us in designing substantive tests in the absence of such reliance. We will hold progress meetings with key management, as necessary, to keep you apprised of the results of our preliminary review and to discuss the key internal controls to be tested.



Phase 2: Preliminary Fieldwork (Cont'd)



May

Our approach to the study and evaluation of the internal accounting and administrative controls will be accomplished through the following techniques:

- We will perform an in-depth review of internal control documentation and working papers made available by the prior audit firm and the School District.
- We will use internal control questionnaires, narratives and/or flowcharting techniques to document key flows of information. Because of our extensive commitment to government, the questionnaires utilized are designed specifically for use on governmental engagements and, therefore, will provide you with the most meaningful information. We will utilize this information and identify key internal control procedures which will be tested in order to warrant reliance on the identified controls. The objectives of such reliance will be to reduce the extent of substantive work performed, resulting in a more cost-efficient audit approach.
- We will evaluate audit risk for all key financial statement assertions and compliance determinations using the procedures outlined above. Audit risk is the risk that material financial statement misstatements or material noncompliance will not be prevented or will not be detected and corrected in a timely manner.

We will evaluate audit risk for all key financial statement assertions and compliance determinations using the procedures outlined above. Audit risk is the risk that material financial statement misstatements or material noncompliance will not be prevented or will not be detected and corrected in a timely manner.

Phase 3: Fieldwork



August

This phase of the audit will consist primarily of substantive testing of year-end balances. If any audit issues come to our attention during the course of our work, we will immediately inform you so that action can be taken before the completion of our fieldwork.

We will design our detailed testing procedures to provide both compliance and financial audit coverage where applicable. We utilize custom designed audit programs that are specifically designed for government clients and; therefore, provide for the most efficient and effective approach.



Phase 3: Fieldwork (Cont'd)



August

At a minimum, management is to provide supporting schedules for the following areas once we return for fieldwork:

Cash	Accounts Payable
Investments	Payroll
Governmental Revenues/Receivables	Debt Service
Inventories	Fund Balance/Net Position
Interfunds	Grants
Capital Assets	Risk Management

For financial audit purposes, we will assess the risk of material misstatement associated with a given objective, and perform substantive and compliance procedures. Our substantive procedures will gather evidence as to the completeness, accuracy, or validity of the information contained in the financial statements. These procedures will include confirmation of year-end balances, vouching documents and analytic reviews. Through our compliance procedures, we will gather evidence related to the existence and effectiveness of specific internal controls. These procedures includes examinations of documents for proper approval and review of procedures for compliance with rules, regulations and School District policies.

At the conclusion of fieldwork, workpapers will be reviewed by the engagement partner and we will prepare the Annual Financial Report in accordance with generally accepted accounting principles for government entities. In addition, we will prepare a management letter and other required communication letters that we will review and discuss with the School District during the draft phase of the audit.

Our firm has state of the art production hardware and software. We believe the investment to stay on the cutting edge of technology benefits not only in reporting, but also in suggestions and recommendations.



AUDIT APPROACH

Phase 4: Drafts



September

The final completion and quality review of the initial draft of the Annual Financial Report will be completed at our office and a draft of the Annual Financial Report and related communication letters will be provided to the School District no later than the date agreed to during the entrance conference. The School District will then have a sufficient amount of time to review the draft for questions and/or changes. L&A will then return to the School District's location for the final draft where we will review the School District's questions and/or changes to the Annual Financial Report as well as the client communication letters and submit a final draft of the Annual Financial Report to the School District.

Phase 5: Audit Completion



October

Upon approval of the drafts by the School District, we will deliver final, bound financial Annual Financial Reports. At the completion of our audit, we will also provide a the final management letter addressing reportable conditions, if any, and other comments and observations for improvements. The management letter will be provided as a separate document. The management letter will contain, as warranted and appropriate:

- Specific recommendations for improvement of the accounting practice and procedures and the internal accounting and administrative controls.
- Comments on the design, controls and audit trails of new and redesigned automated systems, along with suggestions to improve processing methods and procedures.
- Suggestions for operational improvements or cost efficiencies noted during the course of our work.
- Findings relative to compliance with the applicable rules and regulations.
- Comments regarding compliance with laws.
- Other comments or recommendations and best practices that we believe may be relevant.
- Upcoming GASB Pronouncements or auditing standards that may affect the School District's financial statements in the future.

As part of our audit, L&A will also prepare the Annual Financial Reports for submission to the Illinois State Board of Education (ISBE 50-35), including supplementary information.

L&A strives for continual communication with School District staff and management as well as the Board. As such, the engagement partner will be available for meetings and/or formal presentations of the Annual Financial Report and communication letters with representatives of the School District.



PRICE AND BILLING

Exhibit I

**Gavin School District 37
Fee Summary Schedule**

	<u>Proposed Audit Fee</u>	<u>Additional Hourly Rate</u>
FY 2019-20 Audit Services:	<u>\$10,800</u>	<u>\$110</u>
FY 2020-21 Audit Services:	<u>\$11,100</u>	<u>\$113</u>
FY 2021-22 Audit Services:	<u>\$11,400</u>	<u>\$116</u>

Standard Hourly Rates for other projects/services:

	<u>(2019-2020)</u>	<u>(2020-2021)</u>	<u>(2021-2022)</u>
Senior Partner	<u>\$140</u>	<u>\$144</u>	<u>\$148</u>
Partner	<u>\$110</u>	<u>\$113</u>	<u>\$116</u>
Manager	<u>\$70</u>	<u>\$72</u>	<u>\$74</u>
Senior Audit Staff	<u></u>	<u></u>	<u></u>
Junior Audit Staff	<u></u>	<u></u>	<u></u>
Administrative Support	<u></u>	<u></u>	<u></u>

Submitted by:

Name of Firm: Lauterbach & Amen, LLP

Mailing Address: 668 N. River Road

City/State/Zip Code: Naperville, IL 60563

Telephone/Fax Number: 630.393.1483

Contact Name and Title: Ronald J. Amen, Managing Partner

Contact Phone Number: 630.393.1483

Contact E-mail Address: ramen@lauterbachamen.com

Signature: *Ronald J. Amen*



PRICE AND BILLING

HOURS SCHEDULE				
	Hours	Standard Rate	Quoted Rate	Total
Partner	10	\$150	\$140	\$1,400
Manager	53	\$120	\$110	\$5,830
In-Charge	51	\$80	\$70	\$3,570
	114			\$10,800

In 22 years of providing auditing services, Lauterbach & Amen, LLP has never increased an audit price from what was proposed in the RFP. This includes implementation of all future GASB's.

Our firm stresses that we are available throughout the year to provide technical accounting and financial reporting assistance to the School District. We encourage clients to contact us with questions that may arise. In addition, we provide no cost client training to introduce new GASB pronouncements and auditing standards that may affect the School District, as well as providing other training topics based on client requests and needs.

Schedules Requested

The proposed annual prices are based upon staff support at all levels from the School District personnel and that the School District will provide adjusted trial balances and support (detailed schedules that reconcile to the trial balance) for all balance sheet accounts. At a minimum, management is to provide supporting schedules for the areas outlined in the Fieldwork Phase of the Audit Approach section of this proposal.

Additional Services

Should it become necessary for the School District to request us to render additional services to either supplement the services requested in the RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement or new accounting standards, then such additional work will be performed only after discussing with management the level of effort and estimated costs prior to performing any such work.

As independence standards have recently become more stringent related to the types of additional services auditors can perform, L&A would review these independence standards and the types of services requested prior to proposing on any additional services.



REFERENCES

We know that our best endorsement comes from satisfied clients. We invite you to contact the following clients who have been serviced by our firm to inquire about their experience and how our services continue to bring value to our clients. Additional references can be provided upon request.

**Lincolnwood
School District No. 74**

Courtney Whited
847.675.8234
cwhited@sd74.org
6950 North East Prairie Road
Lincolnwood, IL 60712

**LaGrange Highlands
School District No. 106**

Michael Duback
708.485.3073
mduback@district106.net
1750 Plainfield Road
La Grange, IL 60525

**Plano Community Unit
School District No. 88**

Tony Baker
630.552.8978
tbaker@plano88.org
800 South Hale Street
Plano, IL 60545

**Kaneland Community Unit
School District No. 302 ***

Julie-Ann Fuchs
630.365.4119
jfuchs@kaneland.org
47W326 Keslinger Road
Maple Park, IL 60151

* Indicates governments who currently hold the GFOA Certificate of Achievement.

Note: To date, L&A has no former school district clients.
However, a former client who may serve as reference is:
Bolingbrook Park District (Tricia Dubiel—630.783.6534)



REFERENCES

Additional Clients Served

L&A stands by our quality and service. As such, we encourage you to reach out to any of the clients listed below that we serve to learn more about their experience with our firm.

School Districts | Regional Offices of Education

- Barrington Community Unit School District 220
- Calumet Public School District 132
- Cary Community Consolidated School District 26 *
- DeKalb Regional Office of Education 16
- DuPage County School District 45
- DuPage County Regional Office of Education 19
- Freeport Regional Office of Education 08
- Glencoe Junior High Project
- Glenview School District 34
- Indian Prairie Community Unit School District 204
- Intercultural Montessori Language School
- Kaneland Community Unit School District 302 *
- Lake County Regional Office of Education 34
- LaGrange Highlands School District 106
- Lemont-Bromberek Combined School District 113A

- Lemont Township High School District 210
- Lincolnwood School District 74
- Lisle Community Unit School District 202
- Marquardt School District 15
- McHenry County Regional Office of Education 44
- Mokena School District 159
- Naperville District 203 General Home and School Association
- Northbrook School District 28
- Northfield Township High School District 225 *
- Northfield Township School Treasurer
- Plano Community Unit School District 88
- St. Clair County Regional Office of Education 50
- Sunset Ridge School District 29
- Woodridge School District 68

* Indicates governments who currently hold the GFOA Certificate of Achievement.

Municipalities	Park Districts	School Districts	Libraries	Pension Funds	Other Entities
110+	65+	25+	45+	250+	100+



David A. Grotkin
Joel A. Joyce
Brian J. Mechenich
Carrie A. Gindt



Patrick G. Hoffert
Jason J. Wrasse
Joshua T. Bierbach

Report on the Firm's System of Quality Control

August 21, 2018

To the Partners of Lauterbach & Amen, LLP
and the Peer Review Alliance Report Acceptance Committee

We have reviewed the system of quality control for the accounting and auditing practice of Lauterbach & Amen, LLP (the firm) in effect for the year ended March 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act.

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

Reilly, Penner & Benton LLP
1233 N. Mayfair Road Suite #302 • Milwaukee, WI 53226-3255 • 414-271-7800

www.rpb.biz



APPENDIX

Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

1. The firm's quality control policies and procedures require the consultation of professional reference materials and the use of standardized checklists to remind the firm to perform risk assessment over major programs in accordance with professional standards for single audit engagements. During our review, we noted instances where the firm used internally generated memorandums in lieu of the standardized checklists and as a result the firm's audit documentation over risk assessment for each major program was not in accordance with applicable professional standards. In our opinion, this contributed to single audit engagements that did not conform to professional standards in all material respects.
2. The firm's quality control policies and procedures require that personnel assigned to each engagement have the proper technical training and proficiency to complete a quality engagement. Although all firm personnel obtained the CPE required by professional standards, we noted instances where the personnel assigned to a specialized industry did not appear to have adequate training specific to that industry. In our opinion, this contributed to single audit engagements that did not conform to professional standards in all material respects.

Opinion

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of Lauterbach & Amen, LLP in effect for the year ended March 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Lauterbach & Amen, LLP has received a peer review rating of *pass with deficiencies*.

Reilly, Penner & Benton LLP

Reilly, Penner & Benton LLP



Thomas G. Wieland
David A. Grotkin
Joel A. Joyce
Brian J. Mechenich



Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse

System Review Report

July 8, 2015

To the Partners of Lauterbach & Amen, LLP
and the Illinois CPA Society Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Lauterbach & Amen, LLP (the firm) in effect for the year ended March 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards.

In our opinion, the system of quality control for the accounting and auditing practice of Lauterbach & Amen, LLP in effect for the year ended March 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lauterbach & Amen, LLP has received a peer review rating of *pass*.

Reilly, Penner & Benton LLP

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www.rpb.biz