

PROPOSAL TO PROVIDE AUDITING SERVICES FOR

GAVIN SCHOOL DISTRICT 37

FOR THE YEARS ENDING JUNE 30, 2020-2022

DECEMBER 3, 2019

PRESENTED BY:

BETSY ALLEN, CPA, PRINCIPAL

SUSAN R. JONES, CPA, MBA, PRINCIPAL

MILLER
COOPER
& Co., Ltd

ACCOUNTANTS AND CONSULTANTS

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EXCEEDING EXPECTATIONS

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

December 3, 2019

Rebecca J. Allard, Business Manager/Treasurer
Gavin School District 37
25775 West Highway 134
Ingleside, IL 60041

LETTER OF TRANSMITTAL

Miller Cooper is pleased to have the opportunity to submit our proposal to perform auditing services for Gavin School District 37 (the District) for the years ending June 30, 2020-2022. We understand that your immediate needs in the scope of the audit are as follows:

- The annual audit shall consist of the examination of the basic financial statements conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.
- The examination shall be sufficient in scope so as to render an opinion on the fairness of the representations contained in the financial statements of the governmental activities, each major fund and the aggregate remaining fund information in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.
- We will also issue the Annual Financial Report (Form 50-35) to be filed with the Illinois State Board of Education (ISBE). This regulatory-based financial report will be issued to comply with regulatory provisions prescribed by ISBE, which is a basis of accounting other than and differs from, accounting principles generally accepted in the United State of America.

As you make your decision, consider some important reasons why Miller Cooper is the best choice. The difference includes everything from our staff of highly trained professionals to the superior level of customized service and personal attention offered to your District.

- Our experience working with a variety of school districts, township school treasurer's offices and other governmental entities will make the audit process flow more smoothly due to our understanding of the operations of these entities.

- We will work with the District to suggest possible additional information that can be included in the financial statements that may make the financial statements more useful to the Board of Education, management and other users of the financial statements, and provides information for future planning.
- We will provide a fresh look at the District's internal controls.
- We utilize the Smartsheet platform to enhance security, transparency, audit efficiency and real-time project management (see Page 18 for more details).
- We have extensive experience with school districts and local governments beyond just the audit function, including financings, internal controls, and systems review. Miller Cooper has assisted many school districts and other governmental entities in obtaining and maintaining their ASBOI (Association of School Business Officials International) and GFOA (Government Finance Officers Association) Certificates of Excellence in Financial Reporting, implementing GASB statements, and has assisted several communities with hiring key financial staff.
- Miller Cooper, an Illinois-based firm is the proper size, with the appropriate expertise and proximity to be highly responsive to your needs.
- We provide unsurpassed personal attention to our clients, which leads to quality service and an effective working relationship. Our firm is committed to providing prompt, efficient, and personal service and the overall perspective that our clients value. Building strong working relationships with our clients is a top priority.
- Our Principals, Managers and staff have extensive experience in serving Illinois school districts and government units and their management. They are members and active in several professional groups, including Illinois Association of School Business Officials (IASBO) and IASBO Professional Development Committees, Association of School Business Officials International, Illinois CPA Society Government Executive Committee, Illinois Government Finance Officers Association (IGFOA), IGFOA-Technical Assistance Review Committee (TARC) and Illinois CPA Society Not for Profit Committee.
- Our Principals and Managers attend the Illinois Association of School Business Officials Annual Conference and preconference events, as well as participate as speakers at various seminars.
- Miller Cooper is a member of the AICPA's Government Audit Quality Center (GAQC), the AICPA and Illinois CPA Society.

OUR TEAM Betsy Allen and Susan Jones will be responsible for handling the District's ongoing needs, and ensuring that the Firm meets your time requirements and provides the knowledge, guidance and technical skills you require. They have many years of experience working with various school districts and other governmental organizations.

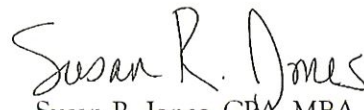
Miller Cooper will provide the responsive and professional service you require and deserve. If you have any questions regarding this proposal, please call Betsy Allen, CPA, at (847) 527-1117 or Susan Jones, CPA, at (847) 527-1149 or contact them via email at ballen@millercooper.com or sjones@millercooper.com. They are authorized to represent the firm.

Once again, we appreciate your consideration, and we hope to have the opportunity to work with you.

Sincerely,

MILLER COOPER & CO., LTD.


Betsy Allen, CPA
Principal


Susan R. Jones, CPA, MBA
Principal

PROFILE OF THE FIRM

Miller Cooper & Co., Ltd. is a well-respected and growing 385+-person local firm with a strong presence in metro-Chicago. In operation for 100 years, with a full time commitment to governmental and nonprofit areas of specialization, the Firm is ranked in the top 11 Chicago accounting firms by *Crain's Chicago Business*. We provide a broad spectrum of accounting, tax and consulting services.

Our governmental clients represent nearly 15% of our practice. As such, one-fifth of our managers, supervisors and staff have experience in audits of public institutions giving us the capability to schedule the District audit to meet stated time requirements.

Our professional staff located in Deerfield and Chicago is comprised of:

FULL-TIME STAFF	FIRM	GOVERNMENTAL SERVICES GROUP
Principals (Partners)	43	4
Directors	3	0
Senior Managers/Managers	71	9
Supervisors/Seniors	84	12
Staff	<u>185</u>	<u>38</u>
TOTAL	386	63

As a member of the AICPA and the AICPA's Government Audit Quality Control Center (GAQC), our Firm is required to undergo and pass an examination of quality controls, conducted by trained CPA's from other firms every three years. Our most recent review was performed for the year ended May 31, 2016 for which we received a rating of pass (which is the highest attainable rating). The review included school districts and other governmental engagements. See Page 7 for a copy of our more recent available report.

EXPERIENCE Additionally, we believe Miller Cooper is qualified to service your organization for the following reasons:

- We are the proper size firm with the expertise to be responsive to your needs and are committed to providing prompt, efficient and personal service.
- Project team continuity promotes efficiency for multiple year engagements.
- We have an outstanding record with the ASBOI and GFOA certificate programs.
- Our sizeable staff allows us to meet your financial report filing deadline.
- Members of your service team have provided a wide range of services to their clients. These include the following:

- Benefit plan consulting including 403(b) compliance – We have an entire department devoted to benefit plans
- Computer system design and control evaluations – We have an entire department devoted to IT
- Tax Increment Financing and compliance
- Budgeting
- Audits and review of federal and state grants and related programs
- Agreed-upon procedures related to enhanced controls, financial reporting and compliance with agreements.
- Implementing new accounting and audit standards

OTHER SERVICES Our information technology department consists of 35 full time people who assist clients with system design, selection, implementation and ongoing support. They also assist the audit staff with the IT portions of the audit, if needed.

Miller Cooper also has a staff of knowledgeable accountants who provide accounting support to a variety of organizations. Services include:

ACCOUNTING SERVICES

- General ledger account reconciliation
- Accounts payable and receivable
- Bank reconciliation
- General ledger and journal entries
- Assistance and implementation of monthly close procedures
- Compiled financial statements and analysis
- Depreciation and amortization schedules
- Budgeting
- Internal control documentation

ACCOUNTING SOFTWARE SERVICES

- Accounting software selection and implementation
- Accounting software and training

PAYROLL AND TAX SERVICES

- Payroll journal entries
- Sales tax returns
- Personal property tax returns

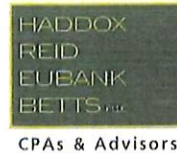
STAFFING SERVICES

- Temporary staffing of the accounting department
- Recruiting finance professionals

CONTINUING EDUCATION REQUIREMENTS MAINTAINED AND SURPASSED Miller Cooper provides extensive continuing education courses internally for professionals at various levels, and members of the Firm also take outside continuing education courses when appropriate. In that regard, each member of the team has maintained the required 24 hours of governmental continuing education for each biennial reporting period. Additionally, Miller Cooper staff have completed programs which provide the necessary guidance and resources to assist local government clients in obtaining and maintaining their expertise in the issues facing Illinois School Districts and other local governments.

A list of audit leaders who will be involved in the District's audit and resumes can be found on Pages 11-14.

PEER REVIEW LETTER



SYSTEM REVIEW REPORT

September 2, 2016

To the Principals
Miller Cooper & Co., Ltd.
and the Peer Review Committee of the
Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of Miller Cooper & Co., Ltd., (the firm) in effect for the year ended May 31, 2016. 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* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Miller Cooper & Co., Ltd., in effect for the year ended May 31, 2016, 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*. Miller Cooper & Co., Ltd. has received a peer review rating of *pass*.

Haddox Reid Eubank Betts PLLC

SUMMARY OF THE FIRM'S QUALIFICATIONS

- All key professional staff who will be assigned to the engagement are properly licensed to practice in Illinois.
- There will be a minimum of a field principal, a quality control principal (technical reviewer), a senior manager/manager, a supervisor/senior and a staff accountant assigned to this engagement. The senior field auditor will have the appropriate years of experience to perform the engagement and will be on site during the entire audit.
- Miller Cooper demonstrates high integrity throughout our organization. Three principals are solely dedicated to the quality assurance of all components of our client engagements.
- The firm meets the independent standards of the GAO's *Standards for Audits of Governmental Organizations, Programs, Activities and Functions*.
- The firm has the required experience with the necessary AICPA statements on auditing standards, the pronouncements of the Governmental Accounting Standards Board, the ASBOI and GFOA Financial Reporting award programs, and GASB implementations.
- Members of the management team have over 40 years of experience providing accounting, auditing and consulting services to Illinois School Districts and other government units and will be actively involved in the engagement.
- Timing of the Audit: Miller Cooper will meet the delivery schedule as agreed to with the District.
- Miller Cooper conducts annual surveys of its clients to determine their level of satisfaction and provide opportunities for clients to suggest service improvements. We have received a net promoter score of 90% from our clients.
- Miller Cooper will meet or exceed the requirements of the request for proposal.

WHAT OUR CLIENTS ARE SAYING:

"First time audit was handled extremely well. Very well staffed and great utilization of time."

"Follow through and thoroughness were exceptional ... very friendly and professional."

"... tailored their work to the Organization's needs."

"They were responsive to questions and knowledgeable in areas requiring special attention."

"Excellent communication ... a team that cares about what you do as much as they care about what they do."

ENGAGEMENT TEAM The executive management team of the Governmental Services Group is as follows:

- Betsy Allen, CPA - Audit principal
- Susan R. Jones, CPA, MBA - Audit principal
- Elizabeth Gasparini, CPA - Senior Manager
- John Epperson, CPA - Senior Manager

All team members are independent of the District as defined by applicable auditing standards. Resumes appear on the following pages.

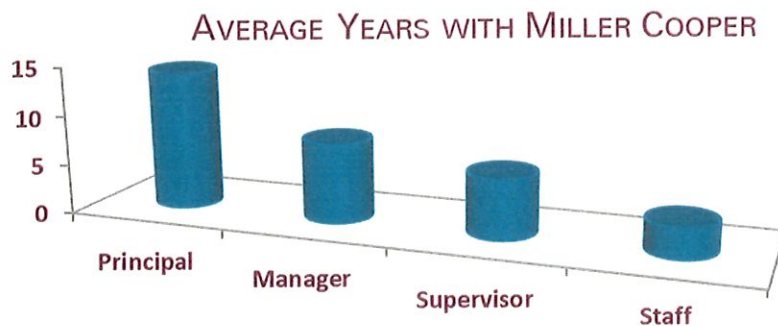
STAFF HIRING AND CONTINUITY Clients rely on us for our uncompromising standards and professionalism. We strongly believe in hiring the best and the brightest. Our stellar reputation among leading universities allows us to continually recruit outstanding talent. Once a new professional becomes a member of our team, we invest in his/her professional growth to ensure he/she has the technical excellence and superior expertise that our clients demand for audit services. The District will receive the direct attention of some of the industry's most talented professionals. We believe that if we do not add value to your engagement, then we have not done our job.

At Miller Cooper, we understand that maintaining staff continuity on your engagement is the key to forming a fluid working relationship. We are committed to remaining independent and to enhancing staff continuity. We do this through creating opportunities for our staff to promote from within and achieve higher levels of compensation. Also, as a market leader, Miller Cooper commits to the highest level of staff training, which increases job satisfaction and continuity. We also recognize that in order to retain staff, Miller Cooper must implement creative methods to ensure that our staff is balancing their work commitments with those of their personal lives. The continuity of audit staff allows your service team to grow as your organization grows. It also ensures that, by working with you year after year, our staff learns more about your organization. The increase in our knowledge of the District translates into a higher level of service throughout our professional relationship.

TRANSITION PROCESS In accordance with auditing standards generally accepted in the United States of America, we will make the required inquiries of previous auditors related to accounting policies, the integrity of management, disagreements with management (if any) and other items, as appropriate. We would also request the predecessor auditor's audit workpapers for review in order to gain an understanding of the prior years' work, as well as to provide history useful in planning an efficient audit.

As experienced auditors who have managed numerous transitions, we can meet your need for an efficient transition with minimal disturbance to your operations or your staff. Our transition process will include:

- Staff with directly relevant experience
- Staff thoroughly briefed on the District's activities, organization and management
- Procedures that will assure our team quickly gets to know your staff and your areas of operation
- Immediate benefits, including a fresh look at your controls and systems
- Continuous communication throughout the process to ensure expectations are established and adhered to



Finally, we have a very low level of staff turnover relative to the public accounting industry. Therefore, we are generally able to staff our engagements with the same personnel from year to year and our sizable staff allows us to meet your financial reporting filing deadlines. This stability affords our clients a significant advantage. Over the past three years, turnover among our professional staff was less than 20%; for manager level and above, turnover is less than 10%.

RESUMES

**BETSY ALLEN, CPA
PRINCIPAL**

RESPONSIBILITIES

Betsy Allen who has the overall responsibility for coordinating Miller Cooper's services to the District, is a Principal and an executive in the Governmental Services Group. She oversees many of the audit procedures, assists with internal control verification and is also responsible for the management of the engagement.

RELEVANT EXPERIENCE

Ms. Allen services a variety of local government units and has significant experience with GASB statements. She has been a practicing CPA for over 20 years, specializing in School District auditing. She has helped numerous districts with their receipt of both the Certificate of Achievement for Excellence from GFOA and the Certificate of Excellence from ASBOI.

Ms. Allen has also conducted federal, single audit and state grant audits for clients. Current responsibilities are client relations, as well as to provide ongoing assistance with management, establish project timelines, and to perform and supervise the audit fieldwork and financial statement preparation.

EDUCATION AND PROFESSIONAL ACTIVITIES

Ms. Allen received a Bachelor of Science Degree from Purdue University. She is a licensed CPA, and has completed numerous continuing professional education classes. She is a member of the Illinois Association of School Business Officials (IASBO); the IASBO Accounting, Auditing and Financial Reporting Professional Development Committee; Association of School Business Officials International, Illinois Government Finance Officers Association (IGFOA); the IGFOA Technical Assistance Review Committee (TARC); the American Institute of Certified Public Accountants; and the Illinois CPA Society.

Ms. Allen attends school district seminars hosted by ISBE and IASBO to receive updates in school districts auditing. She has also been a speaker at the IASBO annual conference, the annual tri-conference of the Illinois Association of School Boards, the Illinois Association of School Administrators and IASBO, and other conferences held by IASBO.

RESUMES

SUSAN R. JONES, CPA, MBA
PRINCIPAL

RESPONSIBILITIES

Susan Jones is the leader of Miller Cooper's Governmental Services Group. In addition to coordinating the accounting and audit needs of her clients, she consults with clients regarding planning and various organizational matters, and shares best practices from working with a variety of organizations.

RELEVANT EXPERIENCE

Ms. Jones joined Miller Cooper from a national accounting firm in which she had more than 20 years' experience serving a broad range of governmental, nonprofit and public audit clients. Ms. Jones has managed numerous tax-exempt bond offerings and advised clients on the requirements of the Uniform Guidance and other federal requirements. She services a number of school districts, municipalities and other governmental organizations. Several of her clients receive the GFOA and ASBOI certificates of excellence in financial reporting.

Ms. Jones leads numerous professional education seminars and is a speaker at various industry conferences.

EDUCATION AND PROFESSIONAL ACTIVITIES

Ms. Jones received a Bachelor of Science in Accounting from the University of Illinois-Champaign/Urbana. She also received a Master of Business Administration from DePaul University: Kellstadt Graduate School of Business. Ms. Jones is a member of the Illinois CPA Society and its Not For Profit Committee, the American Institute of Certified Public Accountants, the Illinois Association of School Business Officials and the Illinois Government Finance Officers Association and its Annual Conference Committee. She is also Treasurer and on the Executive Board of Goldie's Place.

RESUMES

ELIZABETH GASPARINI, CPA
SENIOR MANAGER

RESPONSIBILITIES

Elizabeth Gasparini is a senior manager practicing in the Governmental Services Group, with a specialty in Illinois school districts and other local governments.

RELEVANT EXPERIENCE

Ms. Gasparini services a variety of local government entities and has significant experience with implementing new GASB statements. She has been a practicing accountant for nine years. Ms. Gasparini has assisted project teams in securing the Certificate of Achievement for Excellence from GFOA and the Certificate of Excellence from ASBO for several Illinois School Districts. She continues to assist in conducting single audits for local school districts. Ms. Gasparini leads many internal and external school district and other continuing professional education courses and is the scheduling liaison for the Governmental Services Group.

EDUCATIONAL AND PROFESSIONAL ACTIVITIES

Ms. Gasparini received a Bachelor of Science degree in Accountancy and Master of Business Administration from Southern Illinois University Edwardsville in Edwardsville, Illinois. She is a licensed CPA and has completed numerous governmental continuing professional education classes. Ms. Gasparini is a member of the Illinois Association of School Business Officials (IASBO), the IASBO Principles of School Finance Professional Development Committee, and the Illinois CPA Society.

RESUMES

JOHN EPPERSON, CPA
SENIOR MANAGER

RESPONSIBILITIES

John Epperson is a Senior Manager practicing in the Governmental Services Group with a specialty in school districts, municipalities and other governmental entities. He oversees numerous audit and other attestation engagements.

RELEVANT EXPERIENCE

Mr. Epperson services a variety of local government entities and has significant experience with GASB statements. He has been a practicing accountant for more than 10 years. Mr. Epperson has assisted project teams in securing the Certificate of Achievement for Excellence from GFOA and the Certificate of Excellence from ASBO for several Illinois School Districts. He continues to assist in conducting single audits for many local municipalities and school districts.

Mr. Epperson provides ongoing communication between the client and the engagement team, and is entrusted to ensure timelines are adhered to, and that all work products comply with clients' full requirements. Mr. Epperson also is the information technology liaison for the Governmental Services Group and facilitates many school district education training sessions.

EDUCATION AND PROFESSIONAL ACTIVITIES

Mr. Epperson received a Bachelor of Science Degree from Northern Illinois University. He is a registered CPA and has completed numerous governmental continuing professional education classes. Mr. Epperson is a member of the American Institute of Certified Public Accountants, Illinois CPA Society (ICPAS), Illinois Government Finance Officers Association and Illinois Association of School Business Officials and serves on the ICPAS Government Executive Committee.

SERVICES TO BE PROVIDED

SCOPE OF THE AUDIT

Miller Cooper will perform a financial audit of the District's financial statements for the years ending June 30, 2020-2022. The firm agrees to meet the requirements of the engagement as stated in the RFP. The District will be providing fully adjusted trial balances for all of their funds and support for selected account balances. The District will also provide the Management's Discussion and Analysis, which we will be able to provide a template and assist with the preparation of, if needed.

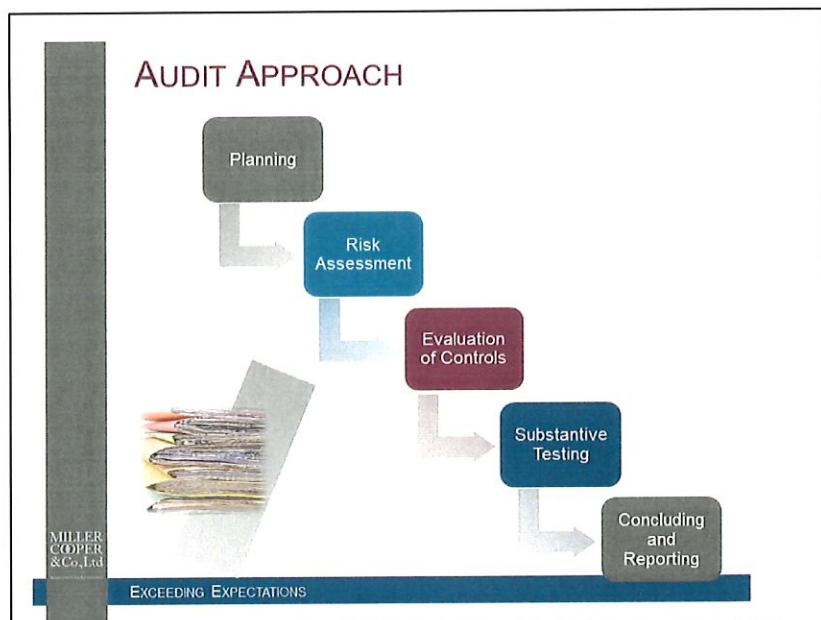
- Our audits will be conducted in accordance with generally accepted auditing standards prescribed by the American Institute of Certified Public Accountants and the standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards* issued by the Comptroller General of the United States. Drafts of the financial statements will be available prior to final issuance, and the final reports will be available on the dates agreed to with the District.
- We will gain an understanding of the District's internal controls as part of our audit process and issue a management letter, including suggestions for improvements. If a management letter is issued, a draft of the letter will be available prior to issuance.
- Assist the District with preparation of GASB 34 entries.
- We will also be available to present the audit at a regularly scheduled meeting of the Board of Education.
- All members of the Miller Cooper project team are available for questions throughout the year at no additional charge. If additional research is needed to answer questions, additional charges may be necessary but will be discussed prior to incurring any time.
- We will provide the following reports as requested and the required number of copies:
 - Financial statements and notes, including all supplementary schedules
 - Annual Financial Report (ISBE 50-35) to be prepared for submission to the Illinois State Board of Education
 - Required Communication to the Board letter
 - Management letter to the Board of Education, if applicable

FINANCIAL STATEMENTS

- We will work with your staff as a resource for what needs to be in the report to meet the GASB reporting standards and also to suggest possible additional information that may make the reports more useful to management and their Board. This additional information can be re-evaluated each year to determine if it should stay in the report or be replaced with other data. We will stay updated on all new GASB pronouncements through our internal research as well as our work on the IGFOA Technical Accounting Review Committee (TARC), and attending other relevant seminars.
- The request for proposal should be considered part of this proposal except where specific modifications have been noted.

AUDIT APPROACH

During our audit process, we perform inquiries of your personnel and learn more about your organization. We also gain an understanding of the District's significant financial statement processes by selecting a sample of transactions and learning how these transactions are processed from initiation to posting in the general ledger. Based on those procedures, we develop management comments that are timely, relevant, and substantive, if



applicable. We will discuss these comments with you and provide innovative, practical solutions to the issues. Furthermore, we will assist you in implementing our recommendations and we will monitor the progress, if warranted. We want to develop a partnership and promote your use of Miller Cooper as a sounding board and organizational advisor.

Sample sizes will be based upon our evaluation of the system of internal accounting controls. We use audit guides that set specific sample sizes based upon the evaluation of the controls being used. Representative samples will be used to ensure that all transactions have a chance of being selected and that an adequate volume of transactions are tested.

We use *Microsoft Excel* for workpaper preparation and lead schedule preparation, *IDEA* software for extracting data from files provided and *Caseware* for our audit programs, report preparation and trial balance control.

Analytical procedures are a required part of the audit process. The two key procedures are to review the actual results against the budget, and to compare the current year versus prior years' performance. Variances are then reviewed with the staff to ensure that they are explained.

Testing of applicable laws and regulations will be updated each year based upon our involvement in the school district sector, requests for information from the District's legal counsel, and review of updates from the various subscription services we receive.

The District's assistance will be needed in the preparation of confirmations, preparing certain workpapers, gathering documentation for samples selected, as well as being available to answer questions as they arise.

PRINCIPAL/CLIENT CONTACT We maintain ongoing contact between the District's staff and the Principal/Senior Manager through meetings, calls and reviewing minutes of the Board meetings on an ongoing basis. This provides us with the ability to comment on issues that may have accounting or audit significance. We can assist in the proper recording of transactions or the accumulation of data while the issue is current rather than at the end of the year.

INTERACTIVE TRANSFER SITE Miller Cooper uses Smartsheet to easily transfer and share client information. In addition to securely transferring documents, Smartsheet is a user-friendly interactive tool in which the client assistance request list is populated in SmartSheet and clients can add applicable items which enhances communication between clients and engagement teams on which documents have been received. Smartsheet tracks engagement progress, timelines and calendars. The secure platform allows our professionals to more efficiently and effectively interface with clients and to quickly configure, adapt and improve work processes. See illustration below.



Requests are organized by audit area

Segment of the engagement to which the requests are related

Status: Client Uploaded formats row Green, MCC reviewed strikes through the request row

Item	Section	Description	Due Date	Client Status	MCC Reviewed
December 31, 2018 - Audit					
A. General					
A1	General	Final adjusted trial balance as of December 31, 2018 in Excel		●	●
A2	General	General ledger for all accounts for the period 1/1/18-12/31/18		●	●
A3	General	Listing of purchases by vendor for the year ended December 31, 2018. Please be sure the total of the report agrees to total purchases in each year.		●	●
A4	General	Listing of revenues by customer for the year ended December 31, 2018. Please be sure that the total of the report agrees to total revenues in each year.		●	●
A5	General	Financial projections/budgets for 2019 and beyond (if available)		●	●
B. Confirmation and Selections					
B1	Confirmation and Selec	Please complete the debt and cash confirmations for each bank account and piece of outstanding debt (provided via email)		●	●
B2	Confirmation and Selec	Aged accounts receivable report as of December 31, 2018, by invoice, reconciled to the trial balance		●	●
B3	Confirmation and Selec	Final inventory detail, by inventory item, as of December 31, 2018 and reconciliation to the trial balance		●	●
B4	Confirmation and Selec	Complete the attached AR confirmation and provide a copy of related AR invoice when sample is selected (to be provided)		●	●
B5	Confirmation and Selec	Shipping documents and related invoices for the last three shipments of December 2018 and the first three shipments of January 2019 (Select the last three sales recorded in 2018 and the first three in 2019)		●	●
B6	Confirmation and Selec	Supporting documentation related to the last three inventory purchases of 2018 and the first three inventory purchases of 2019, and the including PO, invoice, and bill of lading or shipping documentation		●	●
C. Cash					
C1	Cash	Copies of December 31, 2018 and January 2019 bank statements for all bank accounts		●	●
C2	Cash	Bank reconciliations for all accounts at December 31, 2018, including lists of all outstanding checks and deposits in transit		●	●
C3	Cash	Schedule of bank transfers occurring during the period December 25, 2018 through January 5, 2019 (if any)		●	●
C4	Cash	Listing of all held checks at December 31, 2018, if applicable		●	●

Client uploads attachments to satisfy requests and any additional comments in these fields

Individual client requests by category

TIMING OF THE AUDIT

- Miller Cooper plans to meet or exceed the requirements of the District. Consistent with our timely service, all drafts and final documentation will adhere to the time frames set forth by the District, and in compliance with all regulatory guidelines.
- Meeting the time schedule will involve planning meetings before the start of the engagement to establish when the completed information will be available from our provide list and outside agencies. Continued communication throughout the engagement is also important in meeting the District’s time schedule.
- The financial examinations will be performed in accordance with generally accepted auditing standards. The primary purpose of the examination is to express an opinion on the financial statements. Such examinations are subject to inherent risks that errors and irregularities may not be detected. We will promptly notify the proper level of authority if any circumstances are encountered that would require extended services or point toward material errors, defalcations or irregularities.

SCHEDULE/HOURS FOR KEY AUDIT PHASES*

PHASE	PERIOD
Issuance of engagement letter	Immediately after your acceptance
Visit prior year auditors to review their workpapers	Immediately after your acceptance
Engagement planning and interim work	Between April - June
Audit fieldwork	July - August
Draft of financial statements	Dates agreed to with District
Delivery of financial statements	By October 15 th of each year or dates agreed to with District
Questions and discussions	Ongoing throughout the engagement

**The above schedule is flexible based on the District’s preference and availability.*

AUDIT STAFF LEVEL AND HOURS

	Principal	Manager	Supervisor/ Senior	Staff	Administration/ Quality Control	Total
Planning	4	6	12	6	2	30
Evaluation of Controls	4	6	20	16	2	48
Testing	6	8	38	44	4	100
Reporting	<u>8</u>	<u>10</u>	<u>30</u>	<u>14</u>	<u>10</u>	<u>72</u>
	22	30	100	80	18	250

REFERENCES

COMMUNITY UNIT SCHOOL DISTRICT 200

William Farley, Assistant Superintendent for Business Operations
(630) 682-2005

BUTLER SCHOOL DISTRICT 53

Dr. Sandra Martin, Business Manager
(630) 573-2887

RIVER FOREST PUBLIC SCHOOL DISTRICT 90

Anthony Cozzi, Director of Facilities and Finance
(708) 771-8282

FORD HEIGHTS SCHOOL DISTRICT 169

Dr. Gregory Jackson, Superintendent
(708) 758-1375

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 168

Sharlyne Williams, Chief School Business Official
(708) 758-1610

NORTHBROOK SCHOOL DISTRICT 28 (FORMER CLIENT)

Jessica Donato, Chief School Business Official
(847) 504-3403

FINANCIAL STATEMENT:

Butler School District 53: <https://www.butler53.com/departments/district-finances>

Additional references can be provided upon request; Miller Cooper audits over 30 school districts.

FEE SCHEDULE

AUDIT YEAR	PROPOSED AUDIT FEE	ADDITIONAL HOURLY RATE*
FY 2019-20 Audit Services	\$23,500	
FY 2020-21 Audit Services	\$24,200	
FY 2021-22 Audit Services	\$25,000	

**Hourly rates are determined by the level of staff required. If additional work is requested, we will discuss the scope of the work with you and provide a fee for your approval before any work begins. For our current discounted hourly rates, see the schedule below and additional information in Rates for Professional Services.*

DISCOUNTED RATE

Partner	\$290
Senior Manager/Manager	\$190
Supervisor/Senior	\$135
Staff	\$105

RATES FOR PROFESSIONAL SERVICES Additional services will be billed at a discount of Miller Cooper’s standard billing rates at the time the services are provided. The schedule of discounted professional fees currently in effect appears below. Our discounted hourly rates for the years after 2021 will increase based on the cost of living adjustment each year beginning in 2021 based upon the CPI-U index, but will not exceed 2.5%.

EXPLANATION OF FEES

We have excluded approximately 30 hours of first-year time, which we will absorb and not included in the fee above in order to set up our audit and permanent files, perform certain first-year procedures and gain an understanding of your operations and processes.

The proposed fees are for audit and non-audit services as defined in the Scope of Services section of this proposal. Fee estimates are based upon the assumptions that we will not encounter any extraordinary circumstances that would cause a material extension of our normal auditing procedures. The fees presented also assume that the District will provide required supporting documentation on a timely basis and that the District staff will be available during our audit to answer questions as they arise.

If additional time is necessary to prepare additional accounting entries or otherwise ready the District's records for audit, we bill that time separately after obtaining your authorization. Circumstances that may require additional billing could be one of the following: changes in accounting principles or auditing standards (any changes after the date of this proposal), new activities for the District or changes in the compliance requirements or a breakdown in the District's systems of internal controls.

MANNER OF PAYMENTS Progress billings will be made on the basis of hours of work completed during the course of the engagement. Interim billings will be made on a monthly basis. Payment is due upon submission of the invoice.

SUBMITTED BY:

Name of Firm: _____ Miller Cooper & Co., Ltd. _____

Address _____ 1751 Lake Cook Road, Suite 400 _____

_____ Deerfield, IL 60015 _____

Phone/Fax: _____ 847-205-5000/847-205-1400 _____

Contact Name and Title: _____ Betsy Allen, CPA, Principal _____

Contact Phone Number: _____ 847-527-1117 _____

Contact E-mail address: _____ BAllen@MillerCooper.com _____

Signature: _____ *Betsy Allen* _____