



eder, casella & co
certified public accountants

Quality Audit Services

For

Gavin School District 37

Partner Contact:

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TRANSMITTAL LETTER

November 27, 2019

Ms. Rebecca Allard
Business Manager
Gavin School District 37
25775 W. Highway 134
Ingleside, Illinois 60041

Dear Ms. Allard:

Eder, Casella & Co. is pleased to submit our proposal to provide professional auditing services for Gavin School District 37 for the fiscal years ending June 30th, 2020, 2021, and 2022. We are confident that our firm has the qualifications and expertise necessary to not only meet, but exceed your expectations.

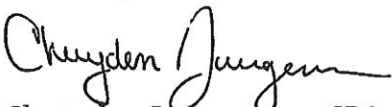
Our firm believes that our extensive experience performing audits for Illinois school districts makes us the ideal candidate for this engagement. Your audit team will be hand-picked from our well-qualified staff and tailored to fit your specific needs. Unlike many firms, all of our professional staff that supervise the governmental audits are CPAs and have an average of seven years of governmental auditing/accounting experience.

Eder, Casella & Co. strives to provide the highest level of client satisfaction. The firm size allows us to provide the expertise of a larger firm but the personal service of a small firm. The firm's goal is to provide exceptional and timely service.

Enclosed is information about our firm, an explanation of the scope of the engagement, and references that can elaborate on our performance and service. We look forward to establishing a professional relationship with you and appreciate the opportunity to submit this proposal, which will remain firm and irrevocable for 60 days.

We welcome any questions you may have, so please don't hesitate to contact us should you have any questions. You can connect with me directly via email at cjuergensen@edercasella.com or by phone at 815-331-8103.

Sincerely,



Cheryden Juergensen, CPA
Partner

YOUR NEEDS AND OUR SOLUTIONS

Gavin School District 37 needs an audit and consulting firm that listens and can deliver. The following shows you, at a high level, how we plan to address your current and future needs.

YOUR NEEDS

OUR SOLUTIONS

Quality and timely service throughout the year

We will meet the deadlines you have set. We are available for questions throughout the year and will provide timely responses.

Service by highly qualified professionals

Our governmental audit managers have an average of 7+ years of experience with school districts.

Proven experience serving school districts

Audit experience with approximately 50 school districts of all sizes. Other services to school districts include monthly treasurer's reports, activity fund review, payroll, fixed asset tracking, bookkeeper training, special projects, and grant specific audits.

Expertise in single audits

The firm receives extensive single audit training in order to stay current on requirements that affect the current 28 single audits performed annually.

PROFILE OF THE FIRM

Eder, Casella & Co. is a certified public accounting firm located in McHenry, Barrington, and Gurnee, Illinois. Founded in 1989, we have grown to become one of the largest accounting firms in McHenry County and have expanded our offices in order to provide that same exceptional service to Barrington, Gurnee, and their surrounding areas. We specialize in services to state and local governmental units, small businesses, and individuals. Eder, Casella & Co. provides a broad range of services including auditing, accounting, tax, payroll, and other management and advisory services.

Our firm provides services to over 90 governmental organizations, including villages, townships, cities, libraries, fire protection districts, school districts, special education districts, vocational systems, and other special taxing districts. The firm is also a member of the American Institute of Certified Public Accountants (AICPA) Governmental Audit Quality Center which promotes the importance of quality governmental audits and the value of such audits.

License

Eder, Casella & Co. is licensed to practice public accounting under registration number 066-005142. All key members of your audit team will be registered/licensed public accountants in the State of Illinois. All partners are licensed to practice in the State of Illinois.

Peer Review

Eder, Casella & Co. has an independent quality control review performed every three years. The most recent review report is dated December 2, 2015 and was an unmodified ("pass") report. This is the highest level of recognition conferred upon a public accounting firm for its quality control systems. A copy of this report is enclosed. The peer examination included a review of our governmental engagements and our Uniform Guidance single audits. Our 2018 peer review was performed in December 2018, but the report will not be released by the State until late November 2019.

State and Federal Review

Our firm or its partners have not been subject to any suspension, debarment, or disciplinary action with state regulatory bodies or professional organizations during the past three years or during the current year. In addition, the firm has not had any federal or state desk reviews or field reviews in the past three years or during the current year. Finally, the firm has not been involved in any litigation over the past three years or during the current year related to the quality of audit work or pricing of auditing services rendered.

PROFILE OF THE FIRM, CONTINUED

Other Information

In the past two years we have assisted several of our school districts in successfully being awarded the ASBO's CAFR and the GFOA's CAFR. In addition, we have assisted a couple of districts in being awarded the GFOA and ASBO CAFRs for their first time submission.

Independence

Eder, Casella & Co., its partners, and staff are independent of **Gavin School District 37** as defined by generally accepted auditing standards, and by the United States General Accounting Office's *Government Auditing Standards*.

We have no knowledge of business, investment, or family relationships with **Gavin School District 37**, its agencies, officials, or other employees and personnel of our firm that would impair our independence.

Technology

Eder Casella & Co. completes all audits within a paperless environment. We utilize the latest software products to conduct a thorough risk assessment; develop audit testing customized to **Gavin School District 37**; analytically review all accounts through comparisons and ratios; and generate financial statements that comply with all accounting standards. We also review the computer systems used by **Gavin School District 37** for various aspects of accounting.

Firm

Eder, Casella & Co. is staffed with twenty certified public accountants, twenty accountants and thirteen support staff. The professional staff includes six partners, twelve managers, four supervisors/senior accountants, and eighteen staff accountants. Specifically, our governmental team consists of sixteen certified public accountants.

The auditors assigned to every engagement are supervised by one of our firm's partners. Each audit will be conducted by a manager and will include a sufficient number of senior or staff accountants to complete the engagement in as efficient and accurate a manner as possible.

Partners

All of the partners at Eder, Casella & Co. are members of the American Institute of Certified Public Accountants and the Illinois CPA Society. Our firm is also involved in the following organizations and committees:

SUMMARY OF FIRM'S QUALIFICATIONS

Illinois CPA Society Governmental Report Review Committee

The responsibility of the Committee is to review audit reports of local and state governmental units, including school districts, fire protection districts, villages, and townships, which are prepared by auditing firms. The Program is one of the Society's self-regulatory activities to help practitioners improve governmental financial statements by encouraging compliance with generally accepted accounting principles by preparers of governmental financial statements and adherence to generally accepted auditing standards by auditors.

Illinois Association of School Business Officials (IASBO)

IASBO is devoted to the school business management profession. The mission is to provide the members and stakeholders with a comprehensive range of professional development activities, services and advocacy through networking and participation.

Government Finance Officers Association's (GFOA) Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting (CAFR) Program

The GFOA certificate program has been promoting the preparation of high quality comprehensive annual financial reports prepared using generally accepted accounting principles since 1945. The Committee, along with GFOA staff members, are responsible for reviewing the reports submitted to the CAFR program.



ILLINOIS CPA SOCIETY.



AICPA[®]
GAQC Member

SUMMARY OF FIRM'S QUALIFICATIONS, CONTINUED

Team for Gavin School District 37's audit

To your benefit, we strive to keep a level of continuity of staff with each client. As such, the partner assigned to your audit will remain assigned to **Gavin School District 37** for a minimum of five years, but can be rotated at the request of the Board's policy. Also, the lead auditor will remain assigned to **Gavin School District 37** for three to five years. While the lead auditor may rotate after that period, the former lead auditor will work with the new lead auditor to ensure a smooth transition for you and your staff. Unlike many firms, our firm has a very low rate of staff turnover and so our lead auditors typically remain on audits for the full five years.

We anticipate the following staff will be assigned to the audit:

Cheryden Juergensen, CPA - Partner

Amanda Ryan, CPA - Manager

The resumes for the staff listed above, as well as the other partners involved in governmental audits, are attached starting on page 13.



CURRENT CLIENT REFERENCES

Our team here at Eder, Casella & Co. is committed to excellence and providing our clients with superior service. We currently provide a range of services to over 90 governmental organizations, including, townships, villages, cities, libraries, fire protection districts, and school districts, to name a few. We are happy to provide this list containing a few of our **current 50** school districts. We encourage you to connect with these organizations to get their perspective on the value our services have provided to them through the years.

Kildeer Countryside Community Consolidated School District 96

- 10+ years of service
- Michelle Whitlow, Coordinator of Business Services
- (847) 459-4260

Round Lake Area Schools Community Unit District 116

- 12+ years of service
- Tina Kostova, Accounting Specialist
- (847) 270-9013

Skokie School District 68

- 7 years of service
- Ryan Berry, Assistant Superintendent of Business Services
- (847) 568-7632

Maine Township High School District 207

- 3 years of service
- Mary Kalou, Assistant Superintendent of Business Services
- (847) 692-8025

Lake Park High School District 108

- 10 years of service
- Jeff O'Connell, Assistant Superintendent of Business Services
- (630) 295-5430

SERVICES TO BE PROVIDED

Planning and Internal Control Evaluation

Our audit process will begin by meeting with management and appropriate personnel to develop a custom audit approach for **Gavin School District 37**. In order to understand the uniqueness of your accounting system and internal control structure, we will discuss operations, accounting practices, and perform a risk assessment that will help determine our sampling size and substantive tests needed. At this time, we will also establish an audit timeline and provide a schedule of information we will need from you in order to begin our next phase.

Fieldwork

Once our planning and internal control evaluation is complete and approved by the engagement team partner, our fieldwork will commence. Your audit team will begin by testing the internal controls as determined by our risk assessment. Each audit area will be assessed for various types of risk and based on the results of the above procedures and risk assessment, the testing for each audit area will be determined. In addition, audit sampling may be performed with regards to cash disbursements, cash receipts, and payroll. Minutes of Board of Education meetings will also be reviewed and interviews on fraud will be completed during this segment of the audit. At the closing stages of our fieldwork, your engagement team partner will review all workpapers and statements to ensure our strict quality standards are upheld and hold an exit conference to ensure that all necessary information has been compiled.

Report Preparation and Review

The final phase of our audit work will begin with the preparation of a preliminary draft of the audit report and management letter. Together with **Gavin School District 37**, we will discuss the results, including audit findings and potential internal control related matters and management letter comments. Upon approval of the final drafts by **Gavin School District 37**, we will present the signed, bound copies of the audit report, the management letter, and any additional reports as described in the audit scope section.



SCOPE AND TIMING OF AUDIT

We propose that Eder, Casella & Co. will perform the audit for Gavin School District 37 in accordance with auditing standards under the modified cash basis of accounting. The following will encompass the scope of our engagement:

- Annual Financial Report for Gavin School District 37 for the fiscal years ending June 30, 2020, 2021, and 2022 - 12 printed and bound copies and one electronic copy (pdf);
- Single Audit Package including the Schedule of Expenditures of Federal Awards, if needed;
- Data Collection Form, if needed - filed electronically and provide **Gavin School District 37** with a copy;
- Illinois State Board of Education Annual Financial Report - filed electronically and provide **Gavin School District 37** with an electronic copy;
- Management letter, if needed - printed copy and electronic copy (.pdf);
- Reporting to the Board of Education in accordance with AU-C 260, *The Auditor's Communication with Those Charged with Governance*; and
- Exit meeting with District officials and a representative of the Board to present the completed audit and related materials.

Our objective is to issue an unmodified opinion on **Gavin School District 37's** governmental activities, each major fund, and the aggregate remaining fund information that comprise **Gavin School District 37's** basic financial statements in conformity with generally accepted accounting principles.

We will prepare a management letter which will include our comments and recommendations, if any, on the internal controls, policies, and procedures of **Gavin School District 37**.

Upon completion of the audit examination, we will review the management letter, if any, and audit report with **Gavin School District 37's** administration and/or Board prior to issuing any of the reports.

PRELIMINARY TIMELINE

Preliminary Timeline for the 2020 Audit (Subject to change upon agreement by both parties)

Preliminary Fieldwork & Internal Control Evaluation

- **Early June: 2-3 Days (or another time agreeable to the District)**
- Meeting between engagement team and representatives of Gavin School District 37 (including a representative of the Board) to customize our approach to your audit.
- Conduct interviews to gather current internal controls and identify areas of risk.
- Supply District with a list of information required to begin audit fieldwork.
- Develop a timetable for completing subsequent phases of audit.

Fieldwork

- **Late July (dates that are agreeable to the District)**
- Prepare audit work papers, perform tests, analyze data, and provide adjusting journal entries, if necessary.
- Review minutes of meetings of the Board of Education.
- Exit meeting with **Gavin School District 37** representatives and a member of the Board.

Report Preparation & Review

- **After on-site fieldwork**
- Prepare reports and management letter, if necessary.
- Proof all reports for quality control.
- Quality control review of all reports by a partner.
- **Draft - 2 weeks after fieldwork**
- Draft report delivered to **Gavin School District 37** for approval.
- **Final - 1st week in August**
- Final copies of audit report, management letter, and other necessary reports delivered to **Gavin School District 37**.

FEES AND CLIENT RESPONSIBILITIES

Our audit fee includes implementation of all new Government Accounting Standards Board (GASB) statements that will become effective during the time period covered by this proposal. While additional fees are not expected, they will be considered if the federal government, state, or other agencies impose significant changes in reporting requirements from the prior year. Any additional fees will be discussed with you before the fees are incurred and an additional services engagement letter will be provided. Fees for such additional services would be billed at our standard hourly rates.

Our fees are based on projection of time requirements with the understanding that the following conditions will be met:

1. The general ledger is in balance;
2. The cash and investment accounts (including activity funds) are reconciled, on a monthly basis, to the amounts shown on your general ledger;
3. Your staff will be available to answer questions, locate misplaced documents and resolve problems as needed;
4. All accruals will be calculated and recorded in the accounting system;
5. Transmittal letter and MD&A will be prepared by your staff;
6. Your filing system allows for easy retrieval of the documents we request; and
7. Your staff will have all documents requested on the "Audit Items Needed Listing" ready and available.

As a part of our audit fee, we are available for telephone consultations throughout the succeeding year covering routine matters. Any requests requiring research or additional services would be billed at our standard hourly rates. Our standard hourly rates for school district services are listed in Exhibit 1 starting on page 17.

QUALITY CONTROL REVIEW REPORT

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



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

System Review Report

December 2, 2015

To the Partners of Eder, Casella & Co.
and the Illinois CPA Society Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eder, Casella & Co. (the firm) in effect for the year ended July 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 and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Eder, Casella & Co. in effect for the year ended July 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*. Eder, Casella & Co. has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Reilly, Penner & Benton LLP".

Reilly, Penner & Benton LLP

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

www.rpb.biz

BIOGRAPHIES

Cheryden N. Juergensen, CPA Partner



cjuergensen@edercasella.com
McHenry, IL

- Professional Experience** Eder, Casella & Co. (November 2002 - Present)
- Responsibilities:
- Manages and reviews accounting and auditing engagements for not-for profits, school districts, fire protection districts, villages, cities, townships, and other governmental clients.
 - Prepares and reviews annual financial reports as well as the IRS form 990 and AG 990-IL.
 - Presents results of audit to Boards and committees.
 - Supervises and reviews single audits in accordance with Uniform Guidance Audit Guidelines.
 - Assists not-for-profits with the implementation of new accounting standards.
 - Provides accounting consultation services for not-for-profit clients.

Capin, Crouse LLC (June 1998 - November 2002)

- Ms. Juergensen was in charge of audits of various types of non-profit organizations including human services organizations, colleges, and churches.

- Professional Affiliations**
- Licensed in the State of Illinois
 - Member, American Institute of Certified Public Accountants
 - Member, Illinois CPA Society
 - Member, Government Finance Officers Association Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting Program

Honors & Activities Treasurer - McHenry Rotary Club (2011 - present)
Treasurer - McHenry Area Soccer Federation (2015 - 2018)
Dean's List - Trinity International University
National Honor Society - Colorado Springs Christian School

Education Certified Public Accountant
Trinity International University - Bachelor of Arts (Accounting/Management/Economics)
Cum Laude

- Continuing Education**
- Frequent Frauds Found in Governments and Not-for-Profits
 - Single Audit Standards
 - Auditing Issues and Updates
 - Testing and Documenting Internal Controls

BIOGRAPHIES

Amanda Ryan, CPA Manager

aryan@edercasella.com
Woodstock, IL



- Professional Experience**
- Eder, Casella & Co. (May 2005 - Present)
- Responsibilities:
- Manages several audits for state and local governments including but not limited to villages, fire departments and school districts
 - Provides monthly, quarterly and annual bookkeeping services and financial statement preparation for multiple governmental clients
 - Prepares annual financial reports for the Illinois State Board of Education and the Illinois Comptroller's Office
 - Regularly utilizes and assists clients with QuickBooks
 - Prepares tax returns for individuals, partnerships, corporations, LLCs/LLPs and homeowners' associations
- Professional Affiliations**
- Licensed in the State of Illinois
- Honors & Activities**
- Member - Rotary Club of Woodstock Morning (2010 - 2017)
 - Treasurer - Rotary Club of Woodstock Morning (July 2010 - June 2012)
 - Dean's List - Lewis University
 - Member - Phi Theta Kappa
 - Dean's List - McHenry County College
 - National Honor Society - Harvard Community High School
- Education**
- Certified Public Accountant
 - Lewis University - Masters of Business Administration
 - Lewis University - B.S. (Accounting)
 - McHenry County College - A.S.

BIOGRAPHIES

Kevin Smith, CPA Partner



ksmith@edercasella.com
Woodstock, IL

- Professional Experience** Eder, Casella & Co. (June 2008 - Present, Internship - Summer 2007)
Responsibilities:
- Manages and supervises accounting and auditing engagements for school districts, special education districts, and other governmental and not-for-profit clients.
 - Prepares and reviews annual financial reports as well as the IRS form 990 and AG 990-IL.
 - Prepares annual financial reports as well as annual reports for Illinois State Board of Education, Illinois Department of Insurance, and the Illinois Comptroller's Office.
 - In charge of single audits in accordance with Uniform Guidance Audit Guidelines.
 - Assists school districts with the implementation of new accounting standards.
 - Provides accounting consultation services for governmental clients.

- Professional Affiliations**
- Licensed in the State of Illinois
 - Member, Illinois CPA Society

Honors & Activities Dean's List - Northern Illinois University
Student Accounting Society - Northern Illinois University

Education Certified Public Accountant
Northern Illinois University - Bachelor of Science (Accounting), Magna Cum Laude
Highland Community College - Associates in Science

- Continuing Education**
- GASB Statement Nos. 63 and 65
 - School District and Related Single Audit Report Review
 - Single Audit Standards
 - Auditing Issues and Updates
 - Frequent Frauds Found in Governments and Not-for-Profits

BIOGRAPHIES

Michele Casella-Dercole, CPA Managing Partner



sdercole@edercasella.com
Ringwood, IL

- Professional Experience** Eder, Casella & Co. (January 1998 - Present)
- Responsibilities:
- Manages and reviews accounting and auditing engagements for school districts, fire protection districts, villages, cities, townships, and other governmental and not-for-profit clients.
 - Reviews annual financial reports as well as annual reports for Illinois State Board of Education, Illinois Department of Insurance, Illinois Comptroller's Office and Tax Incremental Financing Compliance.
 - Supervises and reviews single audits in accordance with Uniform Guidance Audit Guidelines.
 - Presents results of audit to Boards and committees.
 - Assists local governments with the implementation of new accounting standards and other accounting issues.
 - Provides accounting consultation services for governmental and not-for-profit clients.

- KPMG, Peat Marwick LLP (May 1997 - January 1998)
- Ms. Casella-Dercole was a staff accountant in the audit department.

- Professional Affiliations**
- Licensed in the State of Illinois
 - Member, American Institute of Certified Public Accountants
 - Member, Illinois CPA Society
 - Member, American Institute of Certified Public Accountants - Tax Division
 - Member, Illinois Association of School Business Officials

- Honors & Activities**
- Director - American Community Bank & Trust (2019 - Present)
Board Member, Chair of Planned Giving Advisory Committee, Member of Give 360 Committee – Community Foundation for McHenry County (2015 - Present)
Member of the Planned Giving Advisory Council – JourneyCare Hospice (2013 - Present)
Treasurer - Village of Ringwood (2002 - Present)
President - Rotary Club of McHenry Sunrise (2012)
Charter Member - Rotary Club of McHenry Sunrise (2010 - 2012)
Member - McHenry Rotary Club (2004 - 2010), Secretary (2006/2007), Assistant Secretary (2005/2006)
High Honors - Northern Illinois University
Student Accounting Society - Northern Illinois University

- Education** Certified Public Accountant
Northern Illinois University - Bachelor of Science (Accounting)

- Continuing Education**
- Advanced Governmental Report Review
 - Frequent Frauds Found in Governments and Not-for-Profits
 - Yellow Book: Government Auditing Standards
 - School Districts and Related Single Audit Report Review
 - GAAP Basis Governmental Report Review
 - Developed and instructed course on GASB Statement No. 34
 - Developed and instructed course on auditing school district activity funds

EXHIBIT 1

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>\$15,000</u>	<u>*</u>
FY 2020-21 Audit Services:	<u>\$15,600</u>	<u>*</u>
FY 2021-22 Audit Services:	<u>\$16,225</u>	<u>*</u>

*Hourly rate will depend on the project and the level of experience needed.

Standard Hourly Rates for other projects/services:

	<u>(2019-2020)</u>	<u>(2020-2021)</u>	<u>(2021-2022)</u>
Senior Partner	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Partner	<u>\$230 - \$275</u>	<u>\$235 - \$285</u>	<u>\$240 - \$285</u>
Manager	<u>\$155 - \$205</u>	<u>\$160 - \$210</u>	<u>\$165 - \$215</u>
Senior Audit Staff	<u>\$135 - \$145</u>	<u>\$140 - \$150</u>	<u>\$145 - \$155</u>
Junior Audit Staff	<u>\$100 - \$130</u>	<u>\$105 - \$135</u>	<u>\$110 - \$140</u>
Administrative Support	<u>\$55 - \$115</u>	<u>\$60 - \$120</u>	<u>\$65 - \$125</u>

Submitted by:

Name of Firm: Eder, Casella & Co.

Mailing Address: 6071 Washington Street, Unit B

City/State/Zip Code: Gurnee, IL 60031

Telephone/Fax Number: 847-336-6455

Contact Name and Title: Cheryden Juergensen, CPA - Partner

Contact Phone Number: 815-331-8103

Contact E-mail Address: cjuergensen@edercasella.com

Signature: 