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**Memorandum**

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To: Michael Kapolka, Superintendent  
From: Nicole Lechner, Chief Financial Officer  
Subject: Audit Services  
Date: March 2, 2026

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Mr. Kapolka,

I am recommending that you and the Board approve a three-year contract extension for financial audit services with **Gabridge & Co.**

The proposed fees are as follows:

- **2026 Audit:** \$34,000
- **2027 Audit:** \$35,000
- **2028 Audit:** \$36,000

**Three-Year Total:** \$105,000\*

\*Pricing is based on auditor-prepared financial statements, single audit testing of up to three federal programs, and bond audits. Fees may be adjusted if additional testing is required. If the School District is not subject to a federal single audit, the applicable fee will be reduced by \$3,000.

Over the course of our relationship with Gabridge & Co., they have developed a strong understanding of our operations, financial structure, and compliance requirements. Their team has been responsive, thorough, and efficient in conducting our last three audits. Prior to engaging Gabridge & Co., we worked with Rehmann for nine years.

Given their performance, institutional knowledge, and the proposed fee structure, I recommend extending our agreement with **Gabridge & Co.** for an additional three years.

Thank you for your consideration,  
Nicole Lechner

January 23, 2026

Dear Ms. Nicole Lechner,

We would like to extend our sincere thanks to Chelsea School District (the “School District”) for the opportunity to serve as the School District’s independent auditors over the past three years. Working with you and your staff has been a pleasure, and we appreciate the cooperative and professional relationship that has developed during our engagement.

We are pleased to present our proposed fees for the School District’s financial statement audits for the years ending June 30, 2026, June 30, 2027, and June 30, 2028. We look forward to the opportunity to continue our partnership with the School District.

Outlined below is the proposed fee schedule:

<u>6/30/2026</u>	<u>6/30/2027</u>	<u>6/30/2028</u>
\$ 34,000	\$ 35,000	\$ 36,000

The proposed fees include the annual financial statement audit and, in years when applicable, the federal single audit performed in accordance with the Uniform Guidance. In any year in which the School District is not subject to a federal single audit, the applicable fee will be **reduced** by \$3,000.

These fees are based on the understanding that the School District’s accounting records will be reasonably complete and auditable. Should additional services be required to assist with the preparation of an adjusted trial balance or to address unusual or complex accounting matters, such services would be billed separately at our standard hourly rates.

Please note that fees quoted for subsequent years may be subject to renegotiation if there are significant changes in the scope of the School District’s operations, reporting requirements, or applicable professional standards that materially affect our estimated audit effort. Any such changes would be discussed with you in advance of establishing a revised fee arrangement.

The proposed fees do not include special projects or services that would require a separate engagement. However, we will remain available throughout the year to answer general accounting or financial reporting questions and to assist you or your staff with routine matters at no additional charge.

Thank you again for the opportunity to continue serving the School District. We value our relationship and look forward to working with you in the years ahead. If you have any questions regarding this proposal or would like to discuss it further, please do not hesitate to contact us.

Very truly yours,

*Gabridge & Company*

Joe Verlin, CPA, CGFM  
Gabridge & Company, PLC

This proposal is hereby accepted.

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Signature

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Date