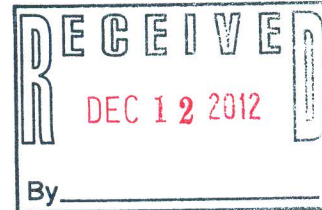




December 10, 2012

Mr. Steven M. Baule, Ed.D., Ph. D.
Superintendent
North Boone Community School District #200
6248 North Boone School Road
Poplar Grove, IL 61065-0399



Dear Dr. Baule:

RE: Request for Continuance for Professional Auditing Services

SVA Certified Public Accountants, S.C. (SVA) has included a proposal for audit services for the North Boone Community School District #200 (District). We are very excited to have an opportunity to continue to work with you and the District.

As requested, enclosed is our proposal for continued audit services. We are confident that you can depend on the professionals at SVA to be a strong resource team for the District. Our experienced and dedicated professionals have the ability to provide you with timely, quality service. You can also be assured that we will continue to give you top priority, and we will provide the level of service you expect and deserve.

We would welcome the opportunity to continue to be an integral part of your professional team and look forward to hearing from you in the near future. Please contact us directly with any questions at (815) 636-8181.

Sincerely,

John T. Himmelpach, CPA
Principal - Assurance Services
SVA Certified Public Accountants, S.C.
P: 262-923-5177 | C: 414-405-4752
himmelpachj@sva.com

Richard G. Wolf, CPA
Senior Manager
SVA Certified Public Accountants, S.C.
P: 815.316.6141 | F: 815.636.1771
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Encl.

North Boone Community School District #200 Request for Continuance for Professional Auditing Services

Scope of Services to be Provided

- SVA will express an opinion of the fair presentation of the District's general purpose financial statements in conformity with generally accepted accounting principles and will include a review of the internal controls of the District's accounting systems. The audit will also encompass a financial and compliance audit as outlined in the Single Audit Act of 1984, as amended, and OMB Circular A-133. Further, the audit will comply with reporting requirements as prescribed by *Illinois State Board of Education*.
- The financial and compliance audit will involve the District's funds and accounts, including the student activities funds.
- SVA will observe the adequacy of the systems of internal control for all funds of the District, including those concerned with maintaining compliance with finance-related legal provisions. If material weaknesses are noted, appropriate recommendations will be reviewed with the appropriate administrator(s) and then included in a separate letter to the Board of Education.
- SVA will adhere to all audit and reporting requirements of the Illinois State Board of Education directives for auditing District financial activities.
- SVA will provide, at no additional charge, routine consultation to the District regarding accounting issues/practices and taxation issues if they arise during the course of the year; e.g. payroll tax regulations, governmental accounting pronouncements, internal control procedure improvements, suggested improvements to district fiscal/accounting policies and procedures, etc. Matters of a substantial nature, or special projects, will be billed at the hourly rates specified in the fee section of the original proposal, dated June 10, 2010, and will be brought to the District's attention prior to the performance of the work.

The auditor shall prepare or assist in the preparation of the following printed and bound reports:

- Annual Financial Statement for the District consistent with prior years to include basic financial statements, individual fund statements and supplementary schedules consistent with prior years reports to be submitted with the Annual Financial Report;
- Annual Financial Report (AFR) (ISBE 50-35) for the District to be prepared for submission to the Illinois State Board of Education;
- Annual Federal Financial Compliance Report for the District consistent with prior year's report;
- Required communication letter for the District consistent with prior year's report; and
- Other reports, as may be required to be submitted, to the Illinois State Board of Education and any other regulatory agencies under the Single Audit Act of 1984.

Tentative drafts of all reports shall be submitted to the Director of Business Services for review. A meeting may be held to review these tentative drafts. The audit reports shall be completed by September 30, each year, unless by mutual agreement a later date is determined.

The auditor shall be required to prepare and submit the required communication letter with management letter comments in connection with the audit. The purpose of the letter shall be to make known recommendations of the auditor, which if implemented, would be in the auditor's opinion, increase efficiency, improve internal accounting control and assist in effective accounting procedures.

Following the completion of the audit, SVA will meet with the Board of Education to review the audit and other reports, required communications, and the management letter comments.

Quality Service at Fair, Reasonable Fees

SVA is excited to have the opportunity to continue to provide services to the North Boone Community School District #200.

The fee schedule herein is intended to be highly competitive without compromising quality. Our fees presume timely and accurate closing of your books with few, if any, final adjustments. The cost of other services, which may be rendered, will be discussed with management prior to commencement of the work. We will agree on an estimate of those fees upfront.

Quoted fee for audit services for years ending June 30:

<u>2013</u> \$14,500	<u>2014</u> \$15,000	<u>2015</u> \$15,500
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Our cost proposal is based in part upon the following assumptions:

1. The professional fees quoted above assume there are no significant or material changes in the activities and/or personnel of the District year-over-year.

The quoted fees and hourly rates noted are discounted based on the appropriate timing of our services (between May-November) and information as requested in our planning letter (i.e., complete set of audit workpapers / schedules at the start of the audit).

2. All quoted fees include all reimbursable costs (e.g. printing, telephone, travel, etc.). The District will not be required to reimburse the selected firm for any of these costs. They are included in the base audit fees.
3. Director of Business Services will provide first draft of completed AFR financial template for our review. In addition, support for and schedules of financial data for notes to financial statements and supplementary schedules, including Schedule of Expenditures of Federal Awards, should be available in electronic format.