

ATTACHMENT NO. VIII-H

ATTACHMENT NO. VII-H: Acceptance of Audit Proposal

Potential motion: Move to accept the audit proposal from Siepert & Co., LLP.

Recommended action: Approve the motion

It is recommended that the Board accept the attached audit proposal from Siepert & Co. The cost for FY2013-14 would not exceed \$14,300.



August 5, 2014

Dr. Steven M. Baule, Superintendent
North Boone Community Unit School District No. 200
6248 N. Boone School Rd
Poplar Grove, IL 61065

Dear Dr. Baule:

In response to the North Boone Community Unit School District No. 200's (District) request for an audit proposal, our firm is pleased to submit the following proposal for your consideration.

Scope and Timing of Proposed Services:

The work to be performed includes the annual audit of the basic financial statements, including all District funds. The audit will be 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 audit will also include a review of the system of internal controls of the District and tests of compliance with requirements of applicable state laws and regulations. The audit would be completed within the reporting deadline required by the Illinois State Board of Education.

Profile of the Firm:

Siepert & Co. LLP is a local firm with offices located in Beloit, WI, Roscoe, IL and Sycamore, IL as noted on our letterhead. Our total staff currently consists of 20 people including 4 partners/certified public accountants, 4 additional CPAs, 7 accountants and 5 support personnel. We are presently in our 65th year of business. The audit services for your District would be conducted from the Beloit office whose professional team totals 10 people. Siepert & Co. LLP provides a full range of services to clients including auditing, accounting and payroll services, small business advisory, computer and software consulting and income tax preparation and

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5302 Williams Drive
Roscoe, IL 61073
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"Members of American Institute of CPAs – Private Companies Practice Section"

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planning. We confirm the following mandatory criteria are satisfied:

1. Siepert is licensed in the State of Illinois - registration number 66-2381
2. Siepert is a member of the Illinois CPA Society
3. Siepert meets the independence and continuing education requirements of the Government Auditing Standards, issued by the Comptroller General, of the United States.
4. Siepert does not have a record of substandard work and neither the firm nor its partners have been subject to any enforcement action during or prior to the past three year period. Siepert is a member of the Private Companies Practice Section of the American Institute of Certified Public Accountants. This membership requires that our firm engage an outside CPA firm to conduct a review of quality control for our accounting and auditing practice once every three years. We received an unqualified opinion, a copy of which is attached, on our latest review conducted in 2011. Our next peer review is scheduled for October, 2014.

Summary of Firm's Qualifications:

Professional team members that are anticipated to be assigned to the audit are as follows:

	<u>Years Experience</u>	
	<u>Public Auditing</u>	<u>School Auditing</u>
Gary L. Meier, Partner, CPA	37	37
Gerri Downing, Manager, CPA	7	7
Micheala Dodson, Accountant	3	3
Lexi Frost, Accountant	1	1

The partner would be on site for a portion of the audit fieldwork with the other personnel being present for the entire audit fieldwork period.

All professional team members are required to complete 120 hours of continuing professional education every three years including the specific 24 hours of CPE requirements that apply to work conducted in the governmental area. Audit team members

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participating in Illinois school district audits also attend programs provided by the Illinois State Board of Education on an annual basis. We make every attempt to see that audit team members are assigned to particular jobs on a recurring basis to maintain the continuity of quality service that benefits both the firm and the audit client. In addition, at least one of the Siepert partners is assigned to supervise each audit our firm completes.

Following is a listing of some Illinois audit clients in the educational area:

<u>Educational Agency</u>	<u>Contact Person</u>
Durand Community Unit School District Durand, IL Telephone (815) 248-2171	Mr. Bill Damon Business manager
Kinnikinnick Community Con- solidated School District Roscoe, IL Telephone (815) 623-2837	Ms. Keli Freedlund Superintendent Mr. Brett Hruby Business manager
Rockton School District Rockton, IL Telephone (815) 624-7143	Ms. Julia Saunders Business manager
Shirland Community Con- solidated School Shirland, IL Telephone (815) 629-2000	Mr. John Ulferts Superintendent Ms. Catherine Sweeney Bookkeeper
Winnebago County Special Education Cooperative Rockton, IL Telephone (815) 624-2615	Ms. Kimberly Moore Director Ms. Sue Miller Business Manager

Please feel free to contact any of the above people regarding our services provided and working relationship with them.

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Services to be Provided:

1. As indicated previously, our audit will be conducted in accordance with auditing standards generally accepted in the U.S., Government Auditing Standards, issued by the Comptroller General of the United States, OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the regulations prescribed by the Illinois State Board of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.
2. Our engagement will include the completion of all financial and compliance audits as required by state and federal laws and regulations and will include all funds maintained by the District. Reports provided will be the basic financial statements including the independent auditor's report and supplementary information, the Annual Financial Report (ISBE Form 50-35) and the independent auditor's report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards and OMB Circular A-133. We would also complete and provide the Data Collection Form for submission to the Federal Audit Clearinghouse.

It is my understanding, based on information observed for the year ended June 30, 2013 that the District does not report under the provisions of GASB Statement 34.

3. Our audit will include a review and evaluation of the system of internal controls. A management letter recommending suggested improvements, if any, in the accounting and internal control procedures and management functions of the District will be prepared.
4. Our audit will include tests of compliance with requirements of applicable state laws and regulations noncompliance with which could have a direct and material effect on the financial statement amounts.

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5. All audit work will be performed by Siepert staff with no work being performed by subcontractors.

I anticipate the total time required to complete the audit planning and audit field work will be approximately 125 hours with an additional 30 hours needed for review, wrap-up and completion of financial reports.

Additional Information:

Our support of clients is continuous. We are available to provide timely routine consultation services throughout the year at no cost. Any fees for significant accounting services or larger projects would be discussed with you prior to proceeding with the work and would be billed to you based on the degree of responsibility and skill required. Our firm is in the business not only to perform required auditing services for clients, but also to help clients make improvements in their accounting process and reporting procedures.

Audit Fees:

Based on my review of various financial information and based on past experience with school districts such as yours, your investment in the audit for the year ended June 30, 2014 would not exceed \$14,300. Any out of pocket costs including travel and reproduction are included in the fee amount. If requested, we could also propose total audit fees for the fiscal years ended June 30, 2015 and 2016. The amount proposed is based on the typical assistance provided by personnel in other districts in connection with their annual audit. We would provide a detailed listing of information that we would need to be prepared, copied, etc. in advance of the audit field work. Should additional consultation or accounting assistance be required, the fee would be at our normal hourly rates which would be preapproved by the District.

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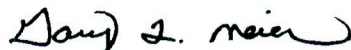
Conclusion:

I have attempted to provide various information that would be useful in evaluating our firm. If you have any questions regarding this proposal, please contact me at your convenience.

Our firm can provide the District with high quality audit services, continuity in assignment of team members to the audit and excellent responsiveness to questions or assistance. We appreciate the opportunity to submit this proposal and look forward to the possibility of reinstating a long and mutually rewarding relationship with the District.

Yours very truly,

SIEPERT & CO. LLP

A handwritten signature in dark ink, appearing to read "Gary L. Meier", with a stylized flourish at the end.

Gary L. Meier
Certified Public Accountant

Lewis, Kisch & Associates, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS

N7111 1275th Street

River Falls, Wisconsin 54022

James V. Lewis, C.P.A.
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SYSTEM REVIEW REPORT

October 12, 2011

To the Partners

Siepert & Co., LLP

and the Peer Review Committee of the Wisconsin Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Siepert & Co., LLP (the firm) in effect for the year ended June 30, 2011. 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. 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 Siepert & Co., LLP in effect for the year ended June 30, 2011, 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*. Siepert & Co., LLP has received a peer review rating of *pass*.

Respectfully submitted,

Lewis, Kisch & Associates, Ltd.

Members

Minnesota Society of Certified Public Accountants
American Institute of Certified Public Accountants
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