

ATTACHMENT NO. VIII-I

ATTACHMENT NO. VIII-I: 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.



February 17, 2015

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.

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.

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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 the year ended June 30, 2014, that the District will continue to 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.
5. All audit work will be performed by Siepert staff with no work being performed by subcontractors.

Audit Fees:

The audit for the year ended June 30, 2014 was certainly out of the ordinary. I would anticipate there may be some issues that may carry over into the subsequent year until all the various accounting problems are resolved. Based on that I would propose your investment in the audit for the year ended June 30, 2015 would \$16,900. Any out of pocket costs including travel and reproduction are included in the fee amount. We would also propose an audit fee of \$15,000 and \$15,750 for the years ended

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June 30, 2016 and 2017 respectively. The amounts proposed are based on the typical assistance provided by personnel in other districts in connection with their annual audit. Prior to the commencement of the June 30, 2015 audit, I would review certain financial information to determine the condition of the financial records and would provide assistance and recommendations to help the District prepare for the audit as needed. 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.

Conclusion:

We appreciate the opportunity to submit this proposal and look forward to continuing a long and mutually rewarding relationship with the District.

Yours very truly,

SIEPERT & CO. LLP



Gary L. Meier
Certified Public Accountant