

# Village of North Aurora

## Memorandum



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**To:** Village Board of Trustees

**From:** Bill Hannah, Finance Director

**CC:** Steve Bosco, Village Administrator

**Date:** February 26, 2018

**RE:** Auditing Services Request for Proposals (RFP)

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The Village recently completed a three-year agreement with Sikich LLP for auditing services for the fiscal years ending 2015, 2016 and 2017. The Village has retained Sikich as auditors for the last twenty (20) years and were instrumental in helping the Village achieve its first Certificate of Achievement for Excellence in Financial Reporting Award from the Government Finance Officers Association (GFOA) in 2001, as well as assisting the Village with the implementation of many new accounting standards defining and modifying generally accepted accounting principles (GAAP) as issued by the Governmental Accounting Standards Board (GASB).

The agreement entered into with Sikich in 2015 agreed to rotate out most of the audit team from Sikich including the engagement partner and manager, in order to provide a new audit perspective, but retain the overall expertise and knowledge of the Village that Sikich has obtained. As that three-year agreement has now expired, the Village issued a request-for-proposal for auditing services with the intent to evaluate all proposals received, including Sikich.

The Village received five (5) responses to its request-for proposal. In evaluating the proposals, the Village took into account:

- Qualifications and years of experience of the proposed audit engagement team
- Experience of the firm with governmental entities similar to the Village
- References and other feedback from other municipalities
- Involvement of the firm and assigned individuals in technical committees of the industry including the AICPA and IGFOA
- Cost of providing the services as delineated in the RFP and ability, willingness to provide ongoing assistance throughout the year and responsiveness of proposal

Of the five proposals submitted the Village identified the top three based on the above criteria as:

- BKD, LLP CPA's and Advisors
- Lauterbach & Amen
- Sikich, LLP

The Village's Operations Committee discussed the proposals at the February 5, 2018 Committee meeting and recommended that the Village accept the proposal from Lauterbach & Amen, LLP. Base annual auditing fees (excluding other services) for the 2018 audit would be \$19,750 and increase incrementally thereafter as outlined in their proposal, a decrease from last year's base fees of \$25,509.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING PROPOSAL FOR AUDIT SERVICES**

**WHEREAS**, the Village of North Aurora has completed its most recent audit engagement for the May 31, 2017 audit; and

**WHEREAS**, the Village recently issued a request-for-proposals (RFP) for professional auditing services for the five-year period beginning with the audit of the Village's financial statements for the year ending May 31, 2018; and

**WHEREAS**, the Village's Operations Committee discussed the proposals at the February 5, 2018 Operations meeting.

**NOW, THEREFORE, BE IT RESOLVED** by the President and the Board of Trustees as follows:

1. The recitals set forth above are incorporated herein as the material findings of the President and the Board of Trustees.
2. The Village hereby determines that it is in the best interest of the Village to accept the auditing services proposal from Lauterbach & Amen, LLP dated January 19, 2018.
3. The proposal from Lauterbach & Amen referenced above is attached to this Resolution as Exhibit "A" and also includes the RFP issued by the Village under which this proposal was made.
4. This Resolution shall take immediate full force and effect from and after its passage and approval.

Presented to the Board of Trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_\_ day of \_\_\_\_\_, 2018, A.D.

Passed by the Board of Trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_\_ day of \_\_\_\_\_, 2018, A.D.

Laura Curtis \_\_\_\_\_

Mark Guethle \_\_\_\_\_

Mark Gaffino \_\_\_\_\_

Mark Carroll \_\_\_\_\_

Tao Martinez \_\_\_\_\_

Michael Lowery \_\_\_\_\_

Approved and signed by me as President of the Board of Trustees of the Village of North Aurora, Kane County, Illinois this \_\_\_\_\_ day of \_\_\_\_\_, 2018 A.D.

\_\_\_\_\_  
Village President

ATTEST:

\_\_\_\_\_  
Village Clerk

Proposal to Provide  
Professional Auditing Services to

# VILLAGE OF NORTH AURORA, ILLINOIS



For the Years Ending May 31, 2018, 2019, 2020, 2021 and 2022



Lauterbach and Amen, LLP

Certified Public Accountants  
668 N. River Road  
Naperville, Illinois 60563  
[www.lauterbachamen.com](http://www.lauterbachamen.com)

# VILLAGE OF NORTH AURORA, ILLINOIS

## PROPOSAL TO PROVIDE PROFESSIONAL AUDITING SERVICES

For the Years Ending  
**May 31, 2018, 2019, 2020, 2021 and 2022**

### **Submitted by:**

Lauterbach & Amen, LLP  
Certified Public Accountants  
668 N. River Road  
Naperville, Illinois 60563  
630.393.1483 Phone  
630.393.1483 Fax  
[www.lauterbachamen.com](http://www.lauterbachamen.com)

### **Contact:**

Ronald J. Amen, Partner  
630.393.1483 Phone  
[ramen@lauterbachamen.com](mailto:ramen@lauterbachamen.com)

**January 19, 2018**



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Lauterbach and Amen, LLP

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January 19, 2018

Bill Hannah, Finance Director/Treasurer  
Village of North Aurora  
25 E. State Street  
North Aurora, IL 60542

Lauterbach & Amen, LLP (L&A) is pleased to respond to your request to provide auditing services to the Village of North Aurora (Village).

Enclosed in this proposal are details about our practice, our people and our reputation for quality service to governments, as well as an outline of our audit approach and scope of the audit process. L & A is a firm entirely specialized in the governmental sector, allowing us to provide an unrivaled commitment to exceeding your expectations with regards to quality service, government specific expertise, and timing and approach of the audit process. Our five partners share a combined 100 years of exclusive government experience, with past experience in not-for-profit, tax and commercial clients. Their years of experience in the governmental sector will directly benefit the Village. L & A possesses the resources and drive to continually exceed your expectations.

At L & A our mission is to provide accounting, compilation, assurance, and consulting services to governments in the spirit of excellence and altruism. As a firm, we are committed to adhering to stringent moral standards in addition to the legally imposed professional standards and guidelines, priding ourselves in our flexible attitude towards accommodating our clients, and continually striving to be an elite personal client service firm. L & A will attain the highest quality employees who share our core values and capacities in order to continue to service our clients at the level at which they are accustomed. Our staff utilizes their expertise to educate clients with the anticipation that it will lead to accurate solutions to challenges that may arise in the daily course of financial activities. Our goal is to maintain personalized relationships with our current clients, while continuing to acquire new clients with the hopes of creating equally valuable bonds. At L & A we continually strive to distinguish ourselves from other accounting firms by emphasizing the following:

- ◆ Conducting annual training sessions with our clients in a small group setting covering such topics as: new GASB pronouncements, understanding the financial statements, identification of finance department efficiencies and best practices, etc.
- ◆ Providing professional audit and consulting services to over 250 local governments on an annual basis, and providing compilation and benefit services to over 250 police and firefighters' pension funds.
- ◆ Engaging in audit planning, preliminary work and continual communication with our clients to ensure an efficient and quality audit process. This also ensures that audit issues will be identified early and solutions will be implemented timely.
- ◆ Possessing exclusive expertise in the area of local government, as evidenced by our exemplary retention rate of the Certificate of Achievement for Excellence in Financial Reporting for clients with continual submissions to the program. L & A is also in the top ten firms nationally that submit audits to the Certificate of Achievement Program.

- ◆ Allowing our clients to dictate scheduling needs related to the audit process and adhering to those needs. We continually meet or exceed the deadlines established by our clients.
- ◆ Identifying, communicating and assisting in the implementation of identified opportunities for improved and more efficient financial or procedural operations.
- ◆ Maintaining a highly professional staff, each of which possess extensive knowledge in the area of local government, continually broadening their knowledge of local government issues through in-house training, involvement in various local government organizations and through continuing professional education programs.
- ◆ Maintaining a program of continuity for multi-year engagements, including minimal rotation of staff and in-charge auditors, allowing for the establishment of efficient working relationships with the Village.
- ◆ Continually promoting communication with management from the beginning of our engagement and throughout the year. This includes an entrance conference and planning meetings with the Village, weekly meetings with management to review the progress of the engagement, if requested, an exit conference to discuss our findings and report production issues, meetings with elected officials during the evenings to answer questions regarding the audit and any other related issues, and continual communication throughout the year. We are committed to listening to your needs and customizing the audit process to meet those needs.
- ◆ Striving to continually be a proven leader in the government accounting industry and assisting our clients on the implementation of new, complex pronouncements and issues affecting local government, including one-on-one assistance with the understanding and implementation of these new pronouncements and issues. We will provide thorough and timely answers to any of your questions or needs.
- ◆ Customizing our audit approach to focus on those areas that represent significant risk to the Village and any of the Village's uniquely complex issues.
- ◆ Forming professional resource alliances with other businesses in the areas of human resources, tax and information technology so, if required and if permitted by current audit independence standards, we would be able to provide the Village the highest level of service.

We are very excited about the opportunity to serve the Village and are committed to providing the Village with quality service and commit to perform the work within the established time period. We believe we have talented people and the appropriate experience to provide you with a quality audit at a fair and competitive price. The Partners that are signing this proposal are entitled to represent the Firm, empowered to submit the proposal and authorized to sign a contract with the Village. This proposal is a firm and irrevocable offer for 120 days. If you have any questions about this proposal or need to discuss these matters further, please contact us. We look forward to your reply.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP



Ronald J. Amen  
Partner



Jamie L. Wilkey  
Partner

# FIRM PROFILE



Lauterbach and Amen, LLP

Certified Public Accountants  
668 N. River Road  
Naperville, Illinois 60563  
[www.lauterbachamen.com](http://www.lauterbachamen.com)





## FIRM PROFILE

Our office is located in Naperville, Illinois, and staffed professionally as follows:

Partners	5
Managers/Senior Accountants	35
Staff Accountants	85
<b>TOTAL</b>	<b>125</b>

L&A was founded 21 years ago with the goal of providing an unrivaled level of service and expertise to local governments. We are different from most accounting firms in that we are specialized in the governmental sector, and specifically in the area of governmental auditing and consulting. In addition, we provide a wide range of

accounting services, some of which include: tax, monthly accounting and bookkeeping for local governments, and a specialty in Police and Firefighter Pension accounting and consulting. *As a client of L&A, you will be served by a team whose experience and depth of knowledge will become a valuable management resource.*

## Close Working Relationship with Management

A close working approach also allows for relationship with the timely resolution of management, L & A can management on a year-round basis is the best as they arise rather than questions and problems after the fact. Through initiate programs that way to provide our understanding the operations and clients with the benefit of our depth of client's activities and a efficiencies. This close working

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*"L & A is specialized in the governmental sector and strives for client service excellence"*

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## An Audit is a People-Oriented Endeavor

The team at L & A recognizes that we are involved in a people-oriented endeavor. Our goals and objectives, therefore, are centered around this understanding.

### *We strive:*

- ◆ *To create an environment that encourages a high level of communication between the client and our team*
- ◆ *To provide clients with the highest attainable level of staff capabilities through selective recruiting and creation of a work environment that aids personal growth*
- ◆ *To continually improve the quality of our services*
- ◆ *To support our financial, business, professional and social communities*



## FIRM PROFILE

### *Firm Philosophy*

We have a ***full-time commitment*** to governmental accounting and reporting. Through our experience, we are able to help clients anticipate and prepare for changes in their operating environment. The value of our services lies not only in the performance of an efficient audit, but in our detailed review of finance

practices, and our extensive knowledge of key topics affecting local governments. With our extensive experience in the field of local governmental accounting and auditing, we have served a substantial number of municipalities, park districts, libraries, special districts, school districts, pension funds, joint ventures, and various other

governmental organizations. We have included a partial list of such entities as references, and would encourage you to contact any or all of them for references as to our qualifications and level of service. We have also provided our current client listing as evidence of our expertise in and commitment to governmental accounting and auditing.



### *Educational Opportunities*

Helping to share our knowledge and expertise in the governmental industry is one of the greatest values we can bring to our clients. We are committed to continually reviewing our process to ensure an efficient audit, ensuring exemplary communication with our clients, and providing education on issues affecting local governments on a year-round basis. This education includes annual group training sessions with our clients covering such topics as the implementation of GASB pronouncements, changes to auditing standards, understanding of the financial statements, identification of department efficiencies and best practices, and other statutory or hot topics affecting local governments.



## FIRM PROFILE

### *A Strong Commitment to the Industry We Serve*

Our involvement in the local government field includes active membership, support and participation in numerous professional organizations which serve the financial and management teams of local government, including:

- ◆ *Government Finance Officers Association (GFOA)*
- ◆ *Illinois Government Finance Officers Association (IGFOA)*
- ◆ *Illinois CPA Society Committees on Governmental Accounting*
- ◆ *AICPA Government Audit Quality Center*
- ◆ *American Institute of Certified Public Accountants*
- ◆ *Illinois Municipal Treasurers Association (IMTA)*
- ◆ *Illinois Association of Park Districts/ Illinois Parks & Recreation Association (IAPD/IPRA)*
- ◆ *Illinois Association of School Board Officials*
- ◆ *Special Review Committee - Certificate of Achievement for Excellence in Financial Reporting (CAFR) - GFOA*
- ◆ *Illinois Library Association*
- ◆ *Township Officials of Illinois*
- ◆ *Technical Account and Review Committee (TARC) - IGFOA (Responds to GASB Pronouncement Exposure Drafts)*
- ◆ *Illinois Public Pension Fund Association (IPPPFA)*
- ◆ *Illinois Department of Insurance—Task Force*

In addition, we have written articles for publication, instructed training courses and done public presentations for a number of the organizations listed above.



## FIRM PROFILE

### *Government Expertise = Extensive Services Available*

It has been our experience that questions or problems may arise during the year for which a client might call upon us for assistance. The following is a partial list of the services we can provide to governmental entities:

- ♦ Financial Reporting-Assistance in the implementation of authoritative pronouncement requirements
- ♦ Assistance in obtaining or securing the Certificate of Achievement for Excellence in Financial Reporting (CAFR) from the GFOA
- ♦ Utility or Enterprise Funds-Analysis, forecasting, rate structure, and consulting services
- ♦ Federal, State and Local Grant Reporting requirements
- ♦ Budget-Assistance in obtaining the Distinguished Budget Award from the GFOA, appropriation and tax levy documents
- ♦ Personnel Issues-Evaluation and executive search
- ♦ Policies and procedures documentation and implementation
- ♦ Temporary staffing and training
- ♦ Pension fund related issues, including benefit calculations, funding analysis, etc.
- ♦ Human Resources-Taxability issues, fringe benefits, policies, etc.
- ♦ Outsourced finance and accounting department functions, including all levels of finance functions
- ♦ Taxpayer Compliance-Specialized audits for selected revenue sources

### *Communication is the Key*

We consider it *essential* to maintain the lines of communication throughout the year. To attain this, we both formally (via meetings, letters, etc.) and informally (via telephone calls, emails, etc.) keep our clients advised of changes and recent developments related to governments.

### *License to Practice*

The Firm and all key personnel are duly licensed to practice in the State of Illinois. Our State of Illinois license number is 066-003655.



## FIRM PROFILE

### *Quality Assurance*

We are committed to proving the highest quality audit product to our clients during all phases of the audit. Our Quality Assurance Team is responsible for reviewing all financial statements before issuance, assisting in technical inquiries and reviewing workpapers and reports of all engagements to verify compliance with professional standards and our Firm's policies. At L & A we pride ourselves in providing a quality audit. As such, we are a member of the Private Companies Practice Section (PCPS) of the Division for CPA Firms of the AICPA, submitting our accounting and auditing practice to quality control reviews of our compliance with professional standards as established by the AICPA.



### *Peer Review*

The appendix of our proposal provides a copy of our successful completion of an independent peer review of our accounting and auditing practice. This review was undertaken as a condition of membership in the American Institute of Certified Public Accountants (AICPA), the national organization of CPA's in public practice, industry, government and education. Our reports have been reviewed by numerous federal and state oversight agencies as well as other external professional agencies and

organizations. The feedback from these independent reviews of our clients' financial statements indicates that L&A's reports not only meet, but exceed, industry standards and reporting requirements. Furthermore, there has never been any action taken against our Firm with any state or federal regulatory body or professional organization to which we have submitted our reports.

### *Independence*

We require that all personnel inform the Firm of any lack of

independence with respect to all clients. Specific guidelines to be followed are those set forth in the AICPA's Code of Professional Ethics. Additionally, we are in compliance with the standards established by the General Accounting Office (GAO). More specifically, we are completely independent with respect to the Village of North Aurora.

## KEY ENGAGEMENT PERSONNEL

### RONALD J. AMEN

#### *MANAGING PARTNER*

Mr. Amen has over 25 years of experience serving clients in the governmental sector. He has participated in numerous governmental engagements, including municipalities, park districts, school districts, State and Federal government entities, Universities and other governments.

University of Nebraska

Certified Public Accountant

American Institute of Certified Public Accountants

Member of Government Finance Officers Association (GFOA) and  
Illinois GFOA

Member of AICPA Government Audit Quality Center

Member of Illinois Municipal Treasurers Association (IMTA)

Member of Illinois Association of Park Districts/Illinois Parks &  
Recreation Association (IAPD/IPRA)

GFOA Special Review Committee for the Certificate of Achievement for Excellence in  
Financial Reporting

Instructor for IGFOA Training Courses

Instructor for IMTA Training Courses

Mr. Amen has managed numerous governmental engagements during his experience in public accounting. Assignments ranging from audits, single audits, TIF audits, performance reviews, budgeting, strategic planning, and other projects is a brief history of his background. Due to his extensive government background, Mr. Amen is often used as a resource for providing creative solutions to issues affecting local governments. Mr. Amen functions as a working partner, in that he is available and present during each phase of the audit process.

Mr. Amen has also participated in the management of some large commercial and not-for-profit engagements. This experience includes audits, tax preparation, consulting and strategic planning for both commercial and not-for-profit clients.

#### ***EDUCATIONAL AND MEMBERSHIP BACKGROUND***

#### ***GOVERNMENTAL ACCOUNTING AND AUDITING EXPERIENCE***



## KEY ENGAGEMENT PERSONNEL

### JAMIE L. WILKEY

#### *TECHNICAL PARTNER*

Ms. Wilkey has over 15 years of professional accounting experience exclusively in the governmental sector. She has participated in numerous governmental engagements, including municipalities, park districts, school districts, libraries, special districts and various other units of government.

Truman State University

Northern Illinois University

Member of Illinois Government Finance Officers Association (IGFOA)

Member of Technical Accounting Review Committee (TARC) with IGFOA

Member of Illinois Municipal Treasurers Association (IMTA)

Member of Illinois Association of Park Districts/Illinois Parks &

Recreation Association (IAPD/IPRA)

GFOA Special Review Committee for the Certificate of Achievement for Excellence in  
Financial Reporting

Instructor for IGFOA Training Courses

Instructor for IMTA Training Courses

Instructor for IPPFA Training Courses

Ms. Wilkey's experience in the government sector includes management of numerous units of government. Such assignments include annual audits, single audits, TIF audits, grant specific audits, and other related projects. Ms. Wilkey has been responsible for the management of numerous annual audits for government units, all of which has either received the Certificate of Achievement for Excellence in Financial Reporting (CAFR) Award from the GFOA in the first year of their submittal to the program or maintained their CAFR standing.

Ms. Wilkey also has extensive government consulting experience, which includes the responsibility for all financial operations of the government unit, include, but not limited to, the maintaining of the general ledger, trial balance, balance sheet and consolidated financials. Ms. Wilkey has also assisted numerous clients with payroll processing, budget preparation, supervision of accounts receivable, accounts payable and utilities billing processing, tax levies and related documents, and the recommendation and implementation of various finance/accounting department procedures and policies.

#### ***EDUCATIONAL AND MEMBERSHIP BACKGROUND***

#### ***GOVERNMENTAL ACCOUNTING AND AUDITING EXPERIENCE***





## KEY ENGAGEMENT PERSONNEL

### MATT R. BERAN

#### *OPERATIONS PARTNER*

Mr. Beran has 13 years of professional accounting experience, 8 of those are exclusively in the governmental sector. Prior to working in government, Mr. Beran was a Supervisor at one of the Big 4 accounting firms. He has participated in numerous governmental engagements, including municipalities, park districts, school districts, libraries, special districts, not-for-profits and various other units of government.

Truman State University

Certified Public Accountant

American Institute of Certified Public Accountants

Member of Illinois Government Finance Officers Association (IGFOA)

Member of Illinois Municipal Treasurers Association (IMTA)

Member of Illinois Association of School Board Officials (IASBO)

Instructor for IMTA Training Courses

Instructor for IASBO Training Courses

Mr. Beran's experience in the government sector includes managing numerous governmental engagements. Assignments ranging from audits, single audits, TIF audits, performance reviews, budgeting, strategic planning, and other projects is a brief history of his background.

Mr. Beran has been responsible for the training of staff at Lauterbach and Amen. The training includes audit methodology and the specifics of governmental accounting, such as property taxes, debt, and full accrual versus modified accrual accounting. He researches new GASB pronouncements and gains an understanding of the change and how it will affect clients, audit staff, and the audit process. Then Mr. Beran passes along this knowledge to clients to ensure they understand what is changing.

Mr. Beran has also been responsible for various agreed-upon procedures including forensic audits. He has been able to observe various municipalities, park districts and libraries and prepare an extensive report on their current internal controls and procedures. Mr. Beran will also then give various suggestions on how to improve internal controls and procedures to improve efficiency and accuracy while still having proper segregation of duties.

#### ***EDUCATIONAL AND MEMBERSHIP BACKGROUND***

#### ***GOVERNMENTAL ACCOUNTING AND AUDITING EXPERIENCE***





## KEY ENGAGEMENT PERSONNEL

### AUDIT TEAM KEY PERSONNEL

Monika has 8 years of professional accounting experience exclusively in the governmental sector. She is a graduate of DePaul University. Monika is specialized in municipal and state agency audits as well as school districts and not-for-profit entities and also specializes in internal control assessment for all governmental clients.

**MONIKA  
ADAMSKI**

Sean has 17 years of professional accounting experience, 12 of those years are exclusively in the governmental sector. He is a graduate of St. Xavier University and is a Certified Public Accountant. Sean specializes in municipal audits and Uniform Grant Guidance single audit testing, reporting and submission.

**SEAN  
HICKEY**

Lia has 11 years of professional accounting experience exclusively in the governmental sector. She is a graduate of the University of Illinois at Chicago. Lia specializes in Library, Pension and Fire Protection District audits.

**LIA  
LOPEZ**

Jen has 7 years of professional accounting experience exclusively in the governmental sector. She is a graduate of the University of Miami and a Certified Public Accountant. Jen specializes in municipal audits, staff training and new hire training. The training includes audit methodology and the specifics of governmental accounting, such as property taxes, debt, and full accrual adjustments.

**JEN  
MARTINSON**

Don has 8 years of professional accounting experience, 6 of those years are exclusively in the governmental sector. He is a graduate of Northern Illinois University and is a Certified Public Accountant. Don specializes in municipalities, school districts and Uniform Grant Guidance single audit testing, reporting and submission.

**DON  
SHAW**

Erin has 7 years of professional accounting experience exclusively in the governmental sector. She is a graduate of Missouri State University. Erin specializes in auditing municipalities and internal control testing for all government clients. She has completed various agreed upon procedures for clients and prepared reports on their internal controls.

**ERIN  
SORDO**

Ann has 8 years of professional accounting experience exclusively in the governmental sector. She is a graduate of Marquette University and is a Certified Public Accountant. Ann is one of L&A's report writers who handles the draft process of the Comprehensive Annual Financial Reports. She also specializes in auditing and performing consulting

**ANN  
VANVOOREN**



# AUDIT APPROACH



Lauterbach and Amen, LLP

Certified Public Accountants  
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Naperville, Illinois 60563  
[www.lauterbachamen.com](http://www.lauterbachamen.com)








## AUDIT APPROACH

### Overview

We are prepared to meet or exceed all requirements and expectations of the Village. The partners of L&A will be involved in all phases of the audit of the Village as outlined below. L&A does not use statistical sampling in any phase of the audit process. Sample sizes used for testing are in accordance with standards established by the profession and will be determined in the planning phase.

Throughout the audit process we will inform management of audit issues as they arise and maintain the highest level of professionalism in the identification and communication of these issues. Discussion of the issues will take place immediately following their discovery and will allow management ample time to rectify any issues.

	<u>PHASE</u>	<u>NAME</u>	<u>TIMING</u>	<u>EST. HOURS</u>
	Phase 1	Planning	May 2018	12 Hours
	Phase 2	Preliminary Fieldwork	June 2018	12 Hours
	Phase 3	Fieldwork	Late August 2018	125 Hours
	Phase 4	Drafts	Early September 2018	24 Hours
	Phase 5	Audit Completion	Late September 2018	24 Hours

## AUDIT APPROACH

### *GFOA Certificate of Achievement*

L&A fully supports the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) Program. We have assisted many clients in obtaining their CAFR's and have submitted ***hundreds*** of CAFR's to GFOA over the years. We also work with our clients in subsequent years on the implementation of any recommendations provided by the GFOA. We will respond to GFOA comments for improvement and take care of the filing of the necessary documents each year. We currently submit in excess of ***eighty*** reports to the GFOA on an annual basis and are in ***the top ten firms nationally*** that submit to the program.

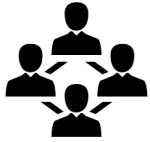


### *Audit Scope and Standards*

L&A will issue an opinion on the governmental activities, business-type activities, each major fund and the aggregate remaining fund information, including the notes to the financial statements, which collectively comprise the Village's financial statements, with "in-relation-to" coverage provided on the combining and individual fund financial statements and on any supplementary information. We will not provide an opinion on the Management Discussion and Analysis, but will provide customary review of this information. Introductory and Statistical sections of the Comprehensive Annual Financial Report, if applicable, will not be audited by us.

The audit will be conducted in accordance with generally accepted auditing standards, and, if a single audit becomes necessary, the standards for financial audits contained in *Governmental Auditing Standards* (2004), issued by the Comptroller General of the United States, and the Single Audit Act of 1996; and the provisions of Uniform Grant Guidance 2CFR-2000/OMB Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*.

## AUDIT APPROACH



### *Planning Phase*

*May 2018*

The purpose of the planning phase is to provide the foundation for the direction that the audit will take. During the planning phase of the audit we will hold an entrance conference with the Village to discuss the audit approach, develop a schedule for completing the audit, and review the areas that we will be focusing on during our audit procedures and testing.

The following is an outline of the key steps performed during the planning phase of the audit:

- ♦ Discussing and agreeing upon report formats to provide information which complies with generally accepted accounting principles. The format should be agreed upon during the planning phase of the audit to ensure timely issuance of the report. Our plan is to adopt a format similar to the previous year.
- ♦ Discussing availability of accounting records and source documents and developing a detailed list of schedules to be prepared by the Village.
- ♦ Developing a schedule for completing the subsequent phase of the audit.



### *Preliminary Fieldwork Phase*

*June 2018*

Preliminary fieldwork is the next phase of the audit process and involves expanding our understanding of the Village and its finances through a review of various documents and through discussions with the Village. During this phase, we will begin the required study and evaluation of internal accounting controls as part of the financial and compliance audit.

The purpose of our study and evaluation will be to obtain sufficient knowledge and understanding of the internal accounting and administrative control systems used by the Village for reliance on the system of internal control and the degree of such reliance; or to aid us in designing substantive tests in the absence of such reliance. We will hold progress meetings with key management, as necessary, to keep you apprised of the results of our preliminary review and to discuss the key internal controls to be tested.

## AUDIT APPROACH



### *Preliminary Fieldwork Phase-Continued*

*June 2018*

Our approach to the study and evaluation of the internal accounting and administrative controls will be accomplished through the following techniques:

- ◆ We will perform an in-depth review of internal control documentation and working papers made available by the prior audit firm and the Village.
- ◆ We will use internal control questionnaires, narratives and/or flowcharting techniques to document key flows of information. Because of our extensive commitment to government, the questionnaires utilized are designed specifically for use on governmental engagements and, therefore, will provide you with the most meaningful information. We will utilize this information and identify key internal control procedures which will be tested in order to warrant reliance on the identified controls. The objectives of such reliance will be to reduce the extent of substantive work performed, resulting in a more cost-efficient audit approach.
- ◆ We will evaluate audit risk for all key financial statement assertions and compliance determinations using the procedures outlined above. Audit risk is the risk that material financial statement misstatements or material noncompliance will not be prevented or will not be detected and corrected in a timely manner.

We will evaluate audit risk for all key financial statement assertions and compliance determinations using the procedures outlined above. Audit risk is the risk that material financial statement misstatements or material noncompliance will not be prevented or will not be detected and corrected in a timely manner.



### *Fieldwork Phase*

*Late August 2018*

This phase of the audit will consist primarily of substantive testing of year-end balances. If any audit issues come to our attention during the course of our work, we will immediately inform you so that action can be taken before the completion of our fieldwork.

We will design our detailed testing procedures to provide both compliance and financial audit coverage where applicable. We utilize custom designed audit programs that are specifically designed for government clients and; therefore, provide for the most efficient and effective approach.

## AUDIT APPROACH



### *Fieldwork Phase-Continued*

*Late August 2018*

At a minimum, management is to provide supporting schedules for the following areas once we return for fieldwork:

Cash	Accounts Payable
Investments	Payroll
Governmental Revenues/Receivables	Debt Service
Proprietary Revenues/Receivables	Fund Balance/Net Position
Inventories	Grants
Interfunds	Risk Management
Capital Assets	

For financial audit purposes, we will assess the risk of material misstatement associated with a given objective, and perform substantive and compliance procedures. Our substantive procedures will gather evidence as to the completeness, accuracy, or validity of the information contained in the financial statements. These procedures will include confirmation of year-end balances, vouching documents and analytic reviews. Through our compliance procedures, we will gather evidence related to the existence and effectiveness of specific internal controls. These procedures includes examinations of documents for proper approval and review of procedures for compliance with rules, regulations and Village policies.

At the conclusion of fieldwork, workpapers will be reviewed by the engagement partner and we will prepare the Comprehensive Annual Financial Report in accordance with generally accepted accounting principles for government entities. In addition, we will prepare a management letter and other required communication letters that we will review and discuss with the Village during the draft phase of the audit.

Our firm has state of the art production hardware and software. We believe the investment to stay on the cutting edge of technology benefits not only in reporting, but also in suggestions and recommendations.

## AUDIT APPROACH



### *Drafts Phase*

*Early September 2018*

The final completion and quality review of the initial draft of the Comprehensive Annual Financial Report will be completed at the our office and a draft of the Comprehensive Annual Financial Report and related communication letters will be provided to the Village no later than the date agreed to during the entrance conference. The Village will then have a sufficient amount of time to review the draft for questions and/or changes. L&A will then return to the Village's location for the final draft where we will review the Village's questions and/or changes to the Comprehensive Annual Financial Report as well as the client communication letters and submit a final draft of the Comprehensive Annual Financial Report to the Village.



### *Audit Completion Phase*

*Late September 2018*

Upon approval of the drafts by the Village, we will deliver final, bound financial Comprehensive Annual Financial Reports. At the completion of our audit, we will also provide a the final management letter addressing reportable conditions, if any, and other comments and observations for improvements. The management letter will be provided as a separate document. The management letter will contain, as warranted and appropriate:

- ◆ Specific recommendations for improvement of the accounting practice and procedures and the internal accounting and administrative controls.
- ◆ Comments on the design, controls and audit trails of new and redesigned automated systems, along with suggestions to improve processing methods and procedures.
- ◆ Suggestions for operational improvements or cost efficiencies noted during the course of our work.
- ◆ Findings relative to compliance with the applicable rules and regulations.
- ◆ Comments regarding compliance with laws.
- ◆ Other comments or recommendations and best practices that we believe may be relevant.
- ◆ Upcoming GASB Pronouncements or auditing standards that may affect the Village's financial statements in the future.

L&A strives for continual communication with Village staff and management as well as the Board. As such, the engagement partner will be available for meetings and/or formal presentations of the Comprehensive Annual Financial Report and communication letters with representatives of the Village.



# PRICE AND BILLING



Lauterbach and Amen, LLP

Certified Public Accountants  
668 N. River Road  
Naperville, Illinois 60563  
[www.lauterbachamen.com](http://www.lauterbachamen.com)



## PRICE AND BILLING

**See Appendix for required “AUDIT PROPOSAL FORM”**

## PRICE AND BILLING

	Percent
Partner	15%
Manager	50%
In - Charge	35%
	100%

In twenty-one years of providing auditing services, Lauterbach & Amen, LLP has never increased an audit price from what was proposed in the RFP. This includes implementation of all future GASB's.

Our firm stresses that we are available throughout the year to provide technical accounting and financial reporting assistance to the Village. We encourage clients to contact us with questions that may arise. In addition, we provide client training to introduce new GASB pronouncements and auditing standards that may affect the Village, as well as providing other training topics based on client requests and needs.

### *Schedules Requested*

The proposed annual prices are based upon staff support at all levels from the Village personnel and that the Village will provide adjusted trial balances and support (detailed schedules that reconcile to the trial balance) for all balance sheet accounts. At a minimum, management is to provide supporting schedules for the areas outlined in the Fieldwork Phase of the Audit Approach section of this proposal.

### *Additional Services*

Should it become necessary for the Village to request us to render additional services to either supplement the services requested in the RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement or new accounting standards, then such additional work will be performed only after discussing with management the level of effort and estimated costs prior to performing any such work.

As independence standards have recently become more stringent related to the types of additional services auditors can perform, L&A would review these independence standards and the types of services requested prior to proposing on any additional services.

# REFERENCES



Lauterbach and Amen, LLP

Certified Public Accountants  
668 N. River Road  
Naperville, Illinois 60563  
[www.lauterbachamen.com](http://www.lauterbachamen.com)



## REFERENCES

We know that our best endorsement comes from satisfied clients. We invite you to contact the following individuals or any other governments who have been serviced by our firm.

<p>Village of Glen Ellyn *</p> <p>Christina Coyle</p> <p>535 Duane Street</p> <p>Glen Ellyn, IL 60137</p> <p>630.547.5215</p> <p><a href="mailto:ccoyle@glenellyn.org">ccoyle@glenellyn.org</a></p>	<p>City of West Chicago *</p> <p>Linda Martin</p> <p>475 Main Street</p> <p>West Chicago, IL 60185</p> <p>630.293.2200</p> <p><a href="mailto:lmartin@westchicago.org">lmartin@westchicago.org</a></p>	<p>Village of Montgomery *</p> <p>Justin VanVooren</p> <p>200 N. River Road</p> <p>Montgomery, IL 60538</p> <p>331.212.9031</p> <p><a href="mailto:jvanvooren@ci.montgomery.il.us">jvanvooren@ci.montgomery.il.us</a></p>
<p>Village of Lombard *</p> <p>Anne Fairburn</p> <p>255 E. Wilson Avenue</p> <p>Lombard, IL 60148</p> <p>630.620.5916</p> <p><a href="mailto:fairbairna@villageoflombard.org">fairbairna@villageoflombard.org</a></p>	<p>City of Warrenville *</p> <p>Kevin Dahlstrand</p> <p>3S258 Manning Avenue</p> <p>Warrenville, IL 60555</p> <p>630.393.9427</p> <p><a href="mailto:kdahlstrand@warrenville.il.us">kdahlstrand@warrenville.il.us</a></p>	

Additional references can be provided upon request.

All municipal audit clients served by L&A include the following:

MUNICIPALITIES			
Antioch *	Elwood *	Lincolnwood *	Schaumburg
Arlington Heights *	Fox River Grove	Lindenhurst	Sleepy Hollow
Barrington *	Frankfort *	Lombard *	South Barrington
Barrington Hills	Freeport	Manhattan *	South Chicago Heights
Bartlett *	Gilberts *	Maple Park	South Elgin *
Beach Park *	Glen Ellyn *	Midlothian	Stone Park
Beecher	Glencoe *	Montgomery	Streamwood *
Bensenville	Glenview *	Naperville*	Sugar Grove *
Bradley	Golf	Normal*	Sycamore
Brookfield *	Grayslake *	North Riverside *	Thornton *
Burlington	Gurnee *	Northbrook *	Timberlane
Campton Hills	Hampshire	Northfield *	University Park
Cary *	Harvey	Palos Park *	Volo
Champaign *	Homewood	Pingree Grove *	Warrenville *
Cherry Valley	Inverness	Plano	Wauconda *
Cortland	Johnsburg	Poplar Grove	West Chicago *
Country Club Hills	Justice	Riverdale	Wilmette *
Dolton	Kenilworth	Riverside *	Winnetka *
East Hazel Crest	Kildeer *	Rockford *	Yorkville *
Elburn	Lake Barrington	Rolling Meadows *	
Elk Grove *	Libertyville *	Rosemont	

\* Asterisk indicates governments currently holding the GFOA Certificate of Achievement.

# CLIENT LISTING



## Lauterbach and Amen, LLP

Certified Public Accountants  
668 N. River Road  
Naperville, Illinois 60563  
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# AUDIT CLIENT LISTING

PARK DISTRICTS   SPECIAL RECREATION DISTRICTS   FOREST PRESERVE DISTRICTS			
Bensenville Park District	Glencoe Park District	Morton Grove Park District *	Veterans Park District
Bloomington Park District *	Glenview Park District *	Mundelein Park District *	Warrenville Park District *
Bolingbrook Park District *	Gurnee Park District *	Naperville Park District *	Waukegan Park District*
Butterfield Park District	Highland Park Park District *	Norridge Park District	Wheaton Park District*
Byron Park District	Huntley Park District	Northbrook Park District *	Wilmette Park District *
Carol Stream Park District*	Joliet Park District	Northfield Park District	Winnetka Park District *
Cary Park District *	Kenilworth Park District	Oak Brook Park District *	Northern Suburban Special Recreation Assoc.
Crystal Lake Park District *	LaGrange Park District *	Oak Lawn Park District	Northern Will County Special Recreation Assoc.
Downers Grove Park District *	LaGrange Park Park District	Park Ridge Park District *	Northwest Special Recreation Association
Elk Grove Park District *	Lake Bluff Park District	Plainfield Township Park District *	South East Association for Special Parks and Rec
Elmhurst Park District *	Lan-Oak Park District	Round Lake Area Park District	West Suburban Special Recreation Association
Geneseo Park District *	Lemont Park District *	Schaumburg Park District	Western DuPage Special Recreation Association
Geneva Park District *	Manhattan Park District	St. Charles Park District *	DuPage County Forest Preserve District
Glen Ellyn Park District *	Memorial Park District	Sycamore Park District	Kane County Forest Preserve District
SCHOOL DISTRICTS   REGIONAL OFFICES OF EDUCATION			
Calumet Public School District 132	LaGrange Highlands School District 106	Lincolnwood School District 74	Regional Office of Education 34
Cary Community Consolidated School District 26*	Lemont-Bromberek Combined School Dist. 113A	Mokena School District 159	
DuPage County School District 45	Lemont Township High School District 210	Regional Office of Education 19	
LIBRARIES			
Addison Public Library	Elk Grove Public Library	Helen Plum Memorial Public Library	Thornton Public Library
Algonquin Public Library	Forest Park Public Library	Joliet Public Library	Villa Park Public Library
Arlington Heights Library	Fountaindale Public Library District	LaGrange Public Library	Warren-Newport Public Library
Batavia Public Library	Fox River Grove Memorial Library	Lake Villa Public Library District	Winfield Public Library
Brookfield Public Library	Fox River Valley Public Library	Lincolnwood Public Library District	Winnetka-Northfield Public Library District
Cary Area Public Library District	Glen Ellyn Public Library	Plainfield Public Library District	
Des Plaines Public Library	Geneva Public Library District	Riverside Public Library	
Eisenhower Public Library District	Glenview Public Library	St. Charles Public Library	
OTHER ENTITIES			
AllenForce	Fox Lake Fire Protection District	Mokena Fire Protection District	Regional Emergency Dispatch
Broadview Westchester Joint Water Agency	Glenbard Waste Water Authority	New Milford Fire Protection District	Rutland Dundee Fire Protection District
Carpentersville & Countryside Fire Protection Dist.	Grayslake Fire Protection District	Northeastern Illinois Public Safety Training Acad.	Solid Waste Agency of Northern Cook County
Central Lake County Joint Water Agency	Homer Township Fire Protection District	North Aurora Fire Protection District	Southern Combined Dispatch & Comm Sys.
Co-Op 90's Medical and Dental Plans	Illinois Metropolitan Investment Fund	North Suburban Employee Benefit	Southern Kane County Training Association
Cooperative Computer Services	Library Insurance Mgmt. & Risk Control Combo.	Northfield Township	Southwest Central Dispatch
Cuba Township	Lincolnshire Riverwoods Fire Protection District	Northlake Fire Protection District	Stillman Fire Protection District
Darien-Woodridge Fire Protection District	Lincolnway Dispatch Center	Northwest Central Dispatch System	Tri-State Fire Protection District
Deerfield-Bannockburn Fire Protection District	Long Grove Fire Protection District	Northwest Suburban Municipal JAWA	Troy Fire Protection District
Downers Grove Sanitary District	MABAS - IL	Northwest Water Commission	Warrenville Fire Protection District
DuPage Public Safety Communications	MABAS - Northbrook	Norwood Park Fire Protection District	Wauconda Fire Protection District
East Dundee Countryside Fire Protection District	McHenry County Mental Health Board	Oregon Fire Protection District	West Suburban Consolidated Dispatch Center
Elburn & Countryside Fire Protection District	Metro Risk Management Agency	PrairieCat	Zion Township
PENSION FUNDS			
Bellwood Police Pension	Franklin Park Fire Pension	Markham Police Pension	University Park Fire Pension
Bloomington Fire Pension	Harwood Heights Police Pension	Maywood Police Pension	University Park Police Pension
Bloomington Police Pension	Homer Township Fire Pension	Naperville Fire Pension	Villa Park Police Pension
Calumet City Police Pension	Justice Police Pension	Pleasantview Fire Pension	West Chicago Fire Pension
Countryside Police Pension	Lemont Fire Pension	Round Lake Beach Police Pension	West Chicago Police Pension
Dolton Fire Pension	Lincolnwood Police Pension	Sauk Village Fire Pension	Willow Springs Police Pension
East Dundee Countryside Fire Pension	Lyons Police Pension	Stickney Police Pension	Zion Police Pension
Elburn and Countryside Fire Pension	Markham Fire Pension	Summit Police Pension	
L & A services over 125 Firefighters' Pension Funds for monthly accounting/administration services			
L & A services over 125 Police Pension Funds for monthly accounting/administration services			

\* Asterisk indicates governments currently holding the GFOA Certificate of Achievement.

# APPENDIX



Lauterbach and Amen, LLP

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



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

## System Review Report

July 8, 2015

To the Partners of Lauterbach & Amen, LLP  
and the Illinois CPA Society Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Lauterbach & Amen, LLP (the firm) in effect for the year ended March 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](http://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 Lauterbach & Amen, LLP in effect for the year ended March 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*. Lauterbach & Amen, LLP has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads 'Reilly, Penner &amp; Benton LLP'.

Reilly, Penner & Benton LLP

## IX. AUDIT PROPOSAL FORM

- A. Each proposal shall fully meet the requirements as set forth on the attached "Audit Proposal Form." Proposals shall be quoted on the total annual cost basis for the audit and CAFR report, management letter, single audit, and by hourly cost quotes for services that may be requested beyond the scope of the audit. Attached is a proposal that bidders shall use in submitting their proposals.

### VILLAGE OF NORTH AURORA AUDIT PROPOSAL FORM

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Financial Audit and CAFR	19,750	20,300	20,850	21,400	21,950
TIF Audit Compliance Report (Per TIF)	1,900	1,950	2,000	2,050	2,100
Police Pension IDOI Report Financial Completion (If Requested)	400	410	420	430	440
Single Audit Report (If Necessary)	3,500	3,600	3,700	3,800	3,900

The above Audit Fees represents the annual maximum "not to exceed" fee for a series of one year engagements for a total of five years. These fees should include all expenses. Proposed auditing fees shall include the implementation of all current and foreseeable Governmental Accounting Standards Board (GASB) pronouncements and Statement on Auditing Standards (SASs).

The (If Necessary) Single Audit Fees are the additional fees the firm would charge if a Single Audit is deemed necessary.

Payment will be made upon receipt of progress billings with final payment made after receipt of the Annual Financial Report.

At the end of each one year engagement, the contract is considered automatically extended for one year unless the Village notifies the independent auditor, in writing by no later than November 30th, of the calendar year to be audited, that the Village will not renew the engagement.

The Auditor and the Village agree that an equitable adjustment in the contract price may be negotiated if the cost or the time required for performance of the audit service is increased pursuant to a change in scope requested by the Village.



# **REQUEST FOR PROPOSALS**

## **Professional Auditing Services**

**For The Fiscal Years Ending**

**May 31, 2018, 2019, 2020, 2021, 2022**

**PROPOSALS MUST BE RECEIVED BY**

**January 19, 2018 at 4:30 pm**

**VILLAGE OF NORTH AURORA**

**25 E. STATE ST.**

**NORTH AURORA, IL 60542**

# **VILLAGE OF NORTH AURORA REQUEST FOR PROPOSALS**

## **I. INTRODUCTION**

### **A. General Information**

The Village of North Aurora (hereafter “North Aurora” or “Village”) is soliciting proposals from qualified firms of certified public accountants to audit the Village’s financial statements for fiscal years ending May 31, 2018, 2019, 2020, 2021 and 2022. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office’s (GAO) *Government Auditing Standards*, the provisions of the federal Single Audit Act and the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, *if applicable* and any other applicable state or federal laws. Any special compliance and reporting requirements of the State of Illinois for Tax Increment Financing Districts shall be followed.

There is no expressed or implied obligation for the Village to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. During the evaluation process the Village reserves the right, where it may serve the Village’s best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions.

### **B. Term of Engagement**

A five-year agreement is contemplated, subject to annual review, the satisfactory negotiation of terms (including a price acceptable to both the Village of North Aurora and the selected firm), the concurrence of the Board of Trustees and the annual availability of a budgeted expenditure.

## **II. NATURE OF SERVICES REQUIRED**

### **A. Scope of Work to be Performed**

The Village of North Aurora desires the auditor to express an opinion on the fair presentation of the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information in conformity with generally accepted accounting principles.

The Village of North Aurora also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the Comprehensive Annual Financial Report. However, the auditor is to provide an “in-relation-to” opinion on

the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

If applicable, the auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an “in-relation-to” report on that schedule based on the auditing procedures applied during the audit of the financial statements.

Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards “in relation to” the audited financial statements, if applicable.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements, if applicable.
3. A report on compliance and internal control over compliance applicable to each major federal program, if applicable.
4. A report on the allocation of pension amounts for the Illinois Municipal Retirement Fund between the Village and the Messenger Public Library
5. A report(s) on compliance for the Route 31 TIF District in accordance with Public Act 85-1142 and any other TIF districts that may meet the threshold requiring a separate report in the future.

The Village will prepare and file with the State of Illinois the annual Comptroller Report.

The Village will also request a fee proposal should the Village request that the firm prepare the financial sections of the Illinois Department of Financial and Professional Regulation (IDFPR) for the Police Pension Fund.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

**B. Funds to be Audited**

The Village of North Aurora uses the following funds and fund types in its financial reporting:

<u>Fund Type</u>	<u>Number of Individual Funds</u>	<u>Number with Legally Adopted Annual Budgets</u>
General Fund	1	1
Special Revenue Funds	8	8
Debt Service Funds	2	2
Capital Projects Funds	1	1
Enterprise Funds	1	1
Internal Service Funds	2	1
Trust and Agency Funds	3	1

The Village also maintains a General Governmental Activities Capital Asset Interactive Fund as well as a General Long-Term Debt/Liabilities Interactive Fund

#### C. Financial Reporting

The Village will provide individual fund financial statements and supporting schedules for the Village's trial balances.

The auditor shall provide the joint requester with a list of all schedules to be prepared by management by May 1<sup>st</sup>.

While the Village has the ability to prepare the Comprehensive Annual Financial Report, the preparation, editing and printing shall be the responsibility of the auditor, as well as the provision of covers, dividers and labeled spines. The Introductory Section, Management's Discussion and Analysis and Statistical sections, and any necessary letterhead will be provided by the Village. The auditor shall reproduce

- Twenty (20) hard copies of the Comprehensive Annual Financial Report and one (1) electronic PDF
- Fifteen (15) copies of the Single Audit report (if required) and one (1) electronic PDF
- Fifteen (15) copies of the "Management Letter" regarding compliance of internal control required by ILCS and any other Auditor Communication Documents to Management and the Board of Trustees and one (1) electronic PDF of each document
- Twenty (20) copies of the examination report on compliance with Public Act 85-1142 (TIF) of the Route 31 TIF Fund and any other TIF Fund that meets the statutory requirement for a compliance examination and one (1) electronic PDF
- Ten (10) copies of the report on the auditor's opinion on the Schedule of Employer Allocations for the Illinois Municipal Retirement Fund and one (1) electronic PDF

The auditor will provide a draft all financial statements no later than September 21<sup>st</sup> of each year to allow for preparation of the MD&A section of the report by the Village.

While final responsibility for the financial statements rests with the Village of North Aurora, the Village expects that the auditor possess and demonstrate sufficient expertise in governmental accounting and reporting to assure that all reporting requirements are met.

Demonstration of governmental accounting expertise shall be supported by membership, either current or past, in various governmental accounting and auditing committees and task forces of the Illinois CPA Society or AICPA. Reasonable support can also be shown by appointment to the Special Review Committee for the Governmental Finance Officer Association's Comprehensive Annual Financial Report program or membership in the Technical Accounting Review Committee of the Illinois Government Finance Officers Association.

The auditor shall express an unmodified opinion on all individual funds and accept "in relation to" responsibility for supplemental data. If an unmodified opinion cannot be expressed, the auditor shall bring such matter to the attention of the Village before issuance of the report to determine whether or not the problems leading to a qualification can be resolved.

D. Management Letter and Auditor Communications

If, during the course of the examination, the auditor finds any weaknesses in internal control, the auditor shall summarize such findings and recommendations in the form of a separate management letter to the Village.

The auditor shall be available to meet with elected officials at an evening meeting to answer questions regarding the proposal, the completed audit or management letter, if requested.

The auditor in the person of a partner or manager shall be available not only during the audit preparation period, but also on an as-needed basis to answer questions or provide guidance on any particular issue that may arise throughout the contract period.

E. Special Considerations

The Village will prepare and submit the application for the Village's Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program along with the necessary paperwork. In accordance with this award program, the auditor shall prepare the responses to reviewer comments from the prior year for review by the Village and assure that the Village's CAFR conforms to the provisions of the program. All appropriate and reasonable changes that are required by the prior year's comments are to be incorporated into the current year's report.

### **III. DESCRIPTION OF THE GOVERNMENT**

#### **A. Background Information**

The Village of North Aurora, incorporated in 1905, is located in the western suburbs of Chicago in Kane County, situated between the City of Aurora and the City of Batavia in the Fox Valley and occupying a land area of approximately 7.2 square miles. A partial, special census conducted in 2016 certified the Village's population at 17,441 with a median household income estimated to be \$78,948.

The Village provides general services to its citizens, including police protection and investigation, maintenance of streets and related infrastructure, water provision, treatment and service, water lines and maintenance of sanitary and storm sewer lines, building inspection and code enforcement, and general administrative and finance services. The Village employs approximately 58.41 full-time equivalents. Many services provided by the Village are supplemented with contractual services. Solid waste collection and recycling services are administered by the Village through a private firm. Fire protection and EMS services are provided primarily by the North Aurora Fire Protection District, separate from the Village. Sanitary sewer treatment is provided primarily by the Fox Metro Water Reclamation District and recreational services are provided by the Fox Valley Park District. The Messenger Public Library provides books, audio/video recordings and similar services separately from the Village, although the Village approves as a Village Library the Library's appropriation and tax levy.

The Village's fiscal year begins June 1<sup>st</sup> and ends May 31<sup>st</sup>. More detailed information on the Village can be found by viewing the Village's Comprehensive Annual Financial Reports at <http://northaurora.org/departments/finance/financial-reports-and-budgets.aspx>

The Village has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the last sixteen (16) fiscal years through May 31, 2016. The Village has also received the GFOA Distinguished Budget Presentation Award for the last twelve (12) fiscal years through the current FY 2017-18 Budget.

#### **B. Pension Plans**

The Village of North Aurora participates in the Illinois Municipal Retirement Fund (IMRF), and the employees of the Messenger Public Library also participate with the Village creating a cost-sharing multiple employer agent plan. The Village also participates in a defined-benefit Police Pension Plan for sworn officers.

The Village incorporates IMRF's most recent calendar-year end plan information into its fiscal year end reporting. The Village employs an outside actuary to perform and complete an actuarial valuation of the police pension plan as of the fiscal year end date of the Village.



C. Magnitude of Finance Operations

The Finance Department is directed by William D. Hannah, Finance Director/Treasurer and consists of four (4) full-time and one (1) part time employee. The principal functions performed and the number of employees assigned to each is as follows:

Full-Time

<u>Function</u>	<u>Number of Employees</u>
Finance Director	1
Accounting and Finance Coordinator	1
Fiscal/Utility Billing Specialist	1
Fiscal/Accounts Payable Specialist	0.63
Customer Service Specialist	1

The Village is a member if of the Illinois Municipal League Risk Management Association (IMLRMA) providing coverage for workers' compensation, auto liability, property and other coverages. The Village has been a member of IMLRMA since 1982. The Village recently joined the Intergovernmental Personnel Benefit Cooperative (IPBC) with an effective date of January 1, 2018 for the purpose of providing employee medical coverage and life insurance benefits. Prior to that date the Village was fully-insured for those employee benefits.

D. Computer Systems

The Village uses Springbrook for its financial accounting including general ledger, accounts payable, accounts receivable, cash receipts and utility billing. Payroll processing is performed by an outside vendor but the Village maintains personnel information in its payroll system. Community Development utilizes Cityview Software for its functions.

E. Single Audits and TIF Compliance Audit Reports

The Village of North Aurora has at times received grants for various projects. The Village has not met the threshold for a single audit in at least the last twelve years. As of now there are no indications a single audit will be necessary in the next two years.

The Village currently has three TIF Districts. Only one District currently meets the requirements for a compliance audit. It is possible another TIF District may meet that requirement over the term of the engagement.

F. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Bill Hannah at [bhannah@northaurora.org](mailto:bhannah@northaurora.org) or at (630) 906-7374. The Village of North Aurora will use its best efforts to make prior audit reports and

supporting working papers available to proposers to aid their response to this Request for Proposal.

#### **IV. TIME REQUIREMENTS**

##### **A. Proposal Calendar**

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for Proposal Issued	December 19, 2017
Last Day to Submit Questions/Clarifications	January 5, 2018
Due Date for Proposals	January 19, 2018
Government Operations Committee Discussion	February 5, 2018
Board of Trustees Action	February 19, 2018

##### **B. Notification and Contract Dates**

Selected firm notified by management after official Board of Trustees action.

##### **C. Date Audit May Commence**

The Village of North Aurora will have all records ready for audit and all management personnel available to meet with the firm's personnel at an agreed upon schedule.

#### **V. PROPOSAL REQUIREMENTS**

##### **A. Inquiries**

Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Bill Hannah, Finance Director/Treasurer  
Village of North Aurora  
25 E. State St.  
North Aurora, IL 60542  
(630) 906-7374  
[bhannah@northaurora.org](mailto:bhannah@northaurora.org)

The Village will respond to all questions and inquiries submitted up to January 5, 2018 and email responses to those who have either submitted questions or have indicated an intention to submit a proposal to this RFP.

##### **B. Submission of Proposals**

The following material is required to be received by January 19, 2018 for a proposing firm to be considered:

1. Title Page  
State the RFP subject.

2. Table of Contents  
Clearly identify the material by section and page number.

3. Letter of Transmittal (limited to three pages)

Briefly outline and summarize the key elements of the proposal as to experience, qualifications, references, technical expertise, audit standards, understanding of the work to be performed, timing and fee.

4. Profile of the Proposer

- a. Describe the types of services provided.
- b. State the location of the office and the total number of Partners and professional staff from that office.
- c. Identify the Partners, Managers/Supervisors and In-Charge Accountants who will perform the audit. Include resumes for each person listed detailing educational background, years of experience and client names for audits similar to the proposed examination.
- d. Describe firm audit experience similar to the proposed examination. (Multi-office firms should discuss experience for only the office of the firm from which the personnel will be assigned.) Provide client names, contact persons and telephone numbers of all municipal / applicable local government audit clients who have been served in the last two years – at least five references shall be provided. Also provide a recent Annual Financial Report prepared by your firm.
- e. Discuss governmental industry experience in terms of years of service, training, organizational involvement, etc.

5. Audit Process

- a. Describe your audit approach.
- b. Detail (in percentage) the amount of time to be put in on the audit by the following categories:

	<u>Percent</u>
Partner/Manager	_____
In-Charge Accountants (Seniors)	_____
Staff Accountants (Junior)	_____
Total	100%

6. Fees and Billings

- a. It is the intention of the Village to retain the same audit firm for a minimum of five years. Provide a maximum “not-to-exceed” fee proposal using the attached Audit Proposal Form.
- b. Describe the circumstances under which you would propose to increase the fee and how you would communicate such a potential increase to the Village.
- c. List the hourly rate that is charged for phone calls and meeting attendance if applicable. Indicate if the firm is available throughout the audit year for minor questions that may arise and indicate how questions should be presented during the course of the year that do not directly relate to the audit process.

## **VI. SUBMISSION OF PROPOSALS**

- A. All proposals should be addressed to:

Bill Hannah, Finance Director/Treasurer  
Village of North Aurora  
25 E. State St.  
North Aurora, IL 60542

Two (2) copies of the proposal are required and should be sealed in envelopes addressed to the above and clearly marked “Village of North Aurora 2018 RFP Auditing Services”. Responders should also provide an email PDF of their response to the following email address [bhannah@northaurora.org](mailto:bhannah@northaurora.org)

- B. Proposals are due no later than 4:30p.m., January 19, 2018.

Proposals may not be withdrawn after the due date and time listed above for a period of one hundred twenty (120) calendar days. However, proposals may be modified by the proposer and resubmitted prior to the due date, or withdrawn.

## **VII. TIMELINESS OF REPORT**

The final audit fieldwork must be completed and a draft CAFR received by the Village prior to September 21<sup>st</sup> of each year, unless the Village has caused the audit period to be longer. Failure to deliver a final report in a timely manner may result in reducing the term of the engagement. The Village typically has had the auditor present the CAFR and results of the audit to the Village Board at the first Monday in the month of November.

## **VIII. EVALUATION OF PROPOSALS**

- A. Responses will be evaluated on the basis of which responder best meets the following three sets of criteria identified below. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and price. The following represent the principal selection criteria that will be considered during the evaluation process (not listed in order of priority).

1. **Mandatory Elements**

- The audit firm is an independent firm
- Licensed to practice in Illinois
- Proposed fees for audit services
- Experience of the firm with Municipality audit services
- Experience of the partner (s) and senior team members proposed
- Professional Personnel have received adequate continuing professional education within the preceding three (3) years pertinent to the audit of governmental agencies
- Commitment to audit team continuity
- Date of last peer or quality review. State whether or not it was an unmodified report;
- Can document quality audit work
- Compliance with specifications
- Provide a link to a sample CAFR prepared by bidder

2. **Technical Qualifications**

- Expertise and experience
  - Past experience and performance on comparable government engagements (complete reference sheet included herein)
  - Professional Personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
  - Single audit experience
  - Government Finance Officers Association ("GFOA") Certificate of Achievement for Excellence in Financial Reporting experience

3. **Audit Approach**

- Adequacy of proposed staffing plan for various segments of the engagement
- Adequacy of sampling techniques
- Adequacy of analytical procedures

B. Oral Interviews

The Village of North Aurora reserves the right to interview proposing firms, if necessary. Please clearly list a contact person with the phone number and email address in the event questions arise.

C. The Village of North Aurora's Board of Trustees will consider final acceptance of the proposal

## **IX. AUDIT PROPOSAL FORM**

- A. Each proposal shall fully meet the requirements as set forth on the attached “Audit Proposal Form.” Proposals shall be quoted on the total annual cost basis for the audit and CAFR report, management letter, single audit, and by hourly cost quotes for services that may be requested beyond the scope of the audit. Attached is a proposal that bidders shall use in submitting their proposals.

### **VILLAGE OF NORTH AURORA AUDIT PROPOSAL FORM**

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Financial Audit and CAFR					
TIF Audit Compliance Report (Per TIF)					
Police Pension IDOI Report Financial Completion (If Requested)					
Single Audit Report (If Necessary)					

The above Audit Fees represents the annual maximum “not to exceed” fee for a series of one year engagements for a total of five years. These fees should include all expenses. Proposed auditing fees shall include the implementation of all current and foreseeable Governmental Accounting Standards Board (GASB) pronouncements and Statement on Auditing Standards (SASs).

The (If Necessary) Single Audit Fees are the additional fees the firm would charge if a Single Audit is deemed necessary.

Payment will be made upon receipt of progress billings with final payment made after receipt of the Annual Financial Report.

At the end of each one year engagement, the contract is considered automatically extended for one year unless the Village notifies the independent auditor, in writing by no later than November 30th, of the calendar year to be audited, that the Village will not renew the engagement.

The Auditor and the Village agree that an equitable adjustment in the contract price may be negotiated if the cost or the time required for performance of the audit service is increased pursuant to a change in scope requested by the Village.



February 20, 2018

The Honorable Mayor  
Members of the Board of Trustees  
Village of North Aurora, Illinois

We are pleased to confirm our understanding of the services we are to provide the Village of North Aurora, Illinois for the year ended May 31, 2018. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Village as of and for the year ended May 31, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Village's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Village's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited: management's discussion and analysis, the budgetary comparison schedules, pension plan employer contribution schedules, changes in the employer's net pension liability schedules, pension plan investment return schedules, and other postemployment benefit obligation funding progress and employer contribution schedules.

We have also been engaged to report on supplementary information other than RSI that accompanies the Village's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: combining and individual fund statements and budgetary comparison schedules, and other information listed as supplemental schedules.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information: introductory and statistical information.

### *Audit Objective*

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Village's financial statements. Our report will be addressed to the Board of Trustees of the Village. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

### *Audit Procedures – General*

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.



*Audit Procedures – General (Continued)*

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

*Audit Procedures – Internal Control*

Our audit will include obtaining an understanding of the Village and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

*Audit Procedures – Compliance*

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Village's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

*Other Services*

We will also assist in preparing the financial statements and required audit adjustments, if any, for the Village in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statements previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

*Management Responsibilities*

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation in the financial statements in conformity with U.S. generally accepted accounting principles.

*Management Responsibilities (Continued)*

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Village of North Aurora, Illinois  
February 20, 2018  
Page 5

*Engagement Administration, Fees, and Other*

Our fees for the May 31, 2018 audit will be as stated in our proposal.

We appreciate the opportunity to be of service to the Village of North Aurora, Illinois and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us.

Cordially,



LAUTERBACH & AMEN, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Village of North Aurora, Illinois.

By: \_\_\_\_\_

Title: \_\_\_\_\_