



March 9, 2015

Ms. Bettina O'Connell, Finance Director  
Village of Grayslake  
10 South Seymour Ave.  
Grayslake, IL 60030

Dear Ms. O'Connell:

This letter is to confirm our understanding of the services we provide Village of Grayslake. We hope to better meet your expectations of service from our firm by clearly identifying the particular services to be provided. Our services will cover the year ending April 30, 2015.

You are responsible for assuming all management responsibilities, and for overseeing any services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

None of the services can be relied on to detect errors, fraud, or illegal acts. However, we will inform you of any material errors and of any evidence or information that comes to our attention during the performance of our services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

These are the services that we expect to provide. Please review the information below and make any changes necessary.

- Prepare Annual Accrual Adjustments for the following:
  - Property Tax Revenue
  - Property Tax Receivable
  - Interest Receivable
  - Compensated Absences
  - Other Receivables and Assets
  - Interfund Transfers
  - Prepaid Expense
  - Accounts Payable
  - Accrued Liabilities
  - Other Liabilities
  - Sales, Income, Telecom, and Use Tax Receivable
  - Replacement Tax Receivable
  - MFT Receivable
  - Electricity Surcharge Receivable
  - Deferred Membership Revenue
  - Accrued Payroll
  - Water, Sewer & Garbage Receivable
  - Any other accruals needed by Village
- Import of Fixed Assets from client-provided spreadsheet
- Be available to answer questions for the auditor

eder, caseella & co.

If you decide to have us perform these services, then you will need to secure the services of another independent auditor to provide the audit services which will include the audit of the financial statements that will be provided to them as listed above.

On the basis of information you provide, we will prepare the financial statements requested above for the years provided. We will not audit or review the financial statements and, accordingly, will not express an opinion or any other form of assurance on them. As we are not doing an audit, we also cannot provide any assurance that additional adjustments will not be found during the audit which will be performed by others.

If, for any reason, we are unable to complete the preparation of your financial statements, we will not issue such statements as a result of the engagement.

You are responsible for:

1. Designing, implementing, and maintaining internal control.
2. Preventing and detecting fraud.
3. Identifying and ensuring that the Village complies with the laws and regulations applicable to its activities.
4. Making all financial records and related information available to us and for the accuracy and completeness of that information.

We will assist you and/or your bookkeeper by proposing standard, adjusting, or correcting journal entries to your financial statements, as needed. We will provide you and/or your bookkeeper with these journal entries for your review and approval. If, while reviewing the journal entries, you determine that a journal entry is inappropriate, it will be your responsibility to contact us to correct it.

During this engagement we may need to refer to selected records of yours and may require a photocopy of these records for our working papers. It is our policy to return all of your original records after our use. It is your responsibility to retain your records as you deem appropriate. Our working papers, including any photocopies we obtain from you, are our property and will be retained by us in accordance with our established record retention policy. A copy of our record retention policy is available upon request. This policy stipulates that, in general, we will retain these working papers and copies of your tax returns for a period of seven years. After this period expires, the files will be disposed of.

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, or for any other reason, we may suspend our services until a satisfactory resolution can be achieved, or we may resign from the engagement without issuing a report. We will notify you of such conflicts as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services. You will remain responsible for our firm's fees and costs incurred through the termination of the engagement.

Shelly Casella-Dercole is the engagement partner and is responsible for supervising the engagement.

To ensure that Eder, Casella & Co.'s independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

By signing below, you acknowledge your responsibility to Eder, Casella & Co. for the accuracy and completeness of the accounting data. You also acknowledge that you have made, and will continue to make, complete disclosure of all material and relevant information about the financial statement information to us.

Our fees for these services will be based on the time expended at our standard rates. We anticipate the fees to range as follows:

Pre-audit services (preparation of accruals)	\$5,500 - \$7,450
Import of fixed assets from client-provided spreadsheet and preparation of depreciation schedules	\$550 - \$800
Optional partner review of workpapers	\$1,650 - \$1,950

All fees will be billed to you monthly, payable on receipt. Amounts unpaid after 30 days will be charged late fees at a rate of 1% per month in addition to costs of collection.

Please indicate your acceptance of the above understanding by signing below. If your needs change during the year, the nature of our service can be adjusted appropriately. Likewise, if you have special projects with which we can assist, please let us know.

Sincerely,

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

Accepted by: 

Date: 5/27/15

Comments or additional requests: \_\_\_\_\_  
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