

# Village of Homewood

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## PROPOSAL

**For the Years Ending:**

April 30, 2022, 2023, 2024 and 2025

Due Date:

December 6, 2021



**Lauterbach & Amen, LLP**

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Certified Public Accountants

668 N. River Road

Naperville, Illinois 60563

Phone: 630.393.1483

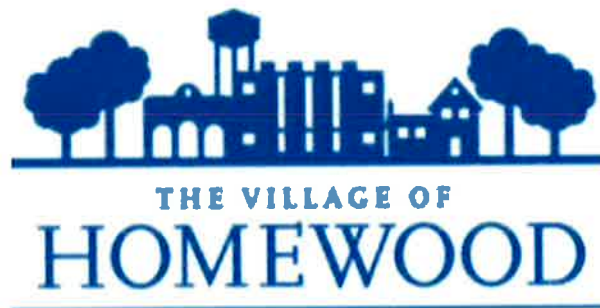
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**lauterbachamen.com**



# PROPOSAL TO PROVIDE PROFESSIONAL AUDITING SERVICES

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## Village of Homewood

For the Years Ending: April 30, 2022, 2023, 2024 and 2025

Due Date: December 6, 2021

## Contact Information

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December 6, 2021

Village of Homewood  
Attn: Dennis Bubenik, Director of Finance  
2020 Chestnut Road  
Homewood, IL 60430

Lauterbach & Amen, LLP (L&A) is pleased to respond to your request to provide auditing services to the Village of Homewood (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 125+ years of exclusive government experience, with past experience in nonprofit, 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:

### EXPERTISE

- Providing professional audit and consulting services to over 400 local governments on an annual basis, and providing compilation and benefit services to over 450 police and firefighters' pension funds.
- 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.
- 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.
- 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.
- 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.

## SERVICE AND QUALITY

- 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 program of continuity for multi-year engagements, including minimal rotation of the team, 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.
- 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.

## CLIENT TRAINING OPPORTUNITIES

- 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.
- 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.

During the time we have worked with the Village, our firm has gained valuable knowledge of Village operations, work flow, and internal controls that assist in providing a thorough but efficient audit. We have enjoyed our working relationship with the Village and look forward to hopefully continue working with Management and the Board for years to come.

We are very excited about the opportunity to continue 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 60 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,



Ronald J. Amen  
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Jamie L. Wilkey  
Partner  
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## FIRM PROFILE

LAUTERBACHAMEN.COM

Lauterbach & Amen, LLP (L&A) is based in Naperville, Illinois. Founded in 1997 by Sherry Lauterbach and Ron Amen, the firm provides clients with accurate, timely and personalized services that combine large-firm capabilities with small-firm values. Through the years, our services have evolved to meet the growing demands of our clients in the governmental, nonprofit and private sectors.

**L&A clients can expect unparalleled service from an experienced team of knowledgeable professionals who double as valuable management resources.**

## SERVICES



**Actuarial**



**Audit**



**Financial**



**Payroll**



**Pension**



**Tax**

**5 Partners | 45+ Managers | 115+ Staff**

## INDUSTRIES

**GOVERNMENT**

**NONPROFIT**

**PRIVATE SECTOR**



## **Firm Philosophy**

We have a full-time commitment to accounting and financial reporting, with extensive expertise in the government and nonprofit sectors. 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.

## **Close Working Relationship with Management**

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

## **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

LAUTERBACHAMEN.COM

## A Strong Commitment to the Industry

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:



**“Involvement in our industry’s organizations and providing educational support to those groups is a passion of our leadership team.”**

- Government Finance Officers Association (GFOA)
- Wisconsin Government Finance Officers Association (WGFOA)
- Illinois Municipal Treasurers Association (IMTA)
- American Institute of Certified Public Accountants
- Illinois CPA Society Committees on Governmental Accounting
- AICPA Government Audit Quality Center
- AICPA Nonprofit Center
- Illinois Association of Park Districts/ Illinois Parks and Recreation Association (IAPD/IPRA)
- Illinois Public Pension Fund Association (IPPFA)
- Illinois Government Finance Officers Association (IGFOA)
- Michigan Government Finance Officers Association (MGFOA)
- Illinois Association of School Business Officials (IASBO)
- Illinois Library Association
- IGFOA Technical Accounting and Review Committee (TARC)
- Township Officials of Illinois
- Illinois Department of Insurance—Task Force
- Special Review Committee - Certificate of Achievement for Excellence in Financial Reporting - GFOA





## Client Educational Opportunities

**“L&A’s value add approach to an audit includes extensive no-cost client training throughout the year.”**

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 no additional cost 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 governments.

## 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 our clients:

- Financial reporting-assistance in the implementation of authoritative pronouncement requirements
- Assistance in obtaining or securing the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (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.



## Quality Assurance

We are committed to providing 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 firm undergoes an independent peer review of our accounting and auditing practice 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. 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.

## 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.



**CRAIN'S**  
CHICAGO BUSINESS.

**L&A was ranked as the 17<sup>th</sup> largest accounting firm in the Chicagoland area, according to an annual survey published by Crain's Chicago Business.**



## **DFK International/USA**

Lauterbach and Amen is an independent member of DFK International, a worldwide association of independent accounting and management consulting firms, with locations in over 40 major markets throughout the United States and representation in over 85 countries worldwide. Our membership in DFK enhances our worldwide reach, provides us with additional resources, and expands the world of opportunity for our clients.

## **Other Information**

L&A has not had any federal or state desk reviews of its audits during the last three years. No disciplinary action has been taken against the firm during the last three years by state regulatory bodies or professional associations.

Per our firm's quality control document, all audit staff are required to meet the AICPA's continuing professional education requirements. Because we are niched in government, the required CPE hours for all of the staff outlined in this proposal are focused on the government industry, with hours also dedicated to Uniform Guidance/Single Audit continuing professional education as required by our industry. The firm utilizes a mix of self-study, in-house training, state Society or AICPA programs, Government Audit Quality Center programs, and programs offered by various government associations, such as the IGFOA.

The firm also has extensive experience with the Village's accounting and financial reporting software, CIVIC Systems (Caselle). We have several other clients who currently utilize the same accounting software as well.

## **Conclusion**

We are thrilled to have the opportunity to continue to serve the Village. We truly believe we have a passion for the government industry and a passion for providing a level of service well beyond just issuing you audited financial statements. Our approach to client service includes open year-round communication, a large network of resources to assist with even non-audit related questions, and a dedication to furthering education on our industry technical standards and best practices. At L&A you will be served by partners who are dedicated to the government industry and a group of over 160 L&A employees that share in that passion and spend all twelve months of the year working on government engagements.



## Ronald J. Amen, CPA

### Managing Partner

Ron Amen has over 32 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, nonprofits and other governments.

### Educational and Membership Background

- 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 and 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

### Governmental Accounting and Auditing Experience

Ron 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, he is often used as a resource for providing creative solutions to issues affecting local governments. He functions as a working partner, in that he is available and present during each phase of the audit process.

Ron has also participated in the management of some large commercial and nonprofit engagements. This experience includes audits, tax preparation, consulting and strategic planning for both commercial and nonprofit clients.



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## Jamie L. Wilkey

### Technical Partner

Jamie Wilkey has over 20 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.

### Educational and Membership Background

- 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 and 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



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### Governmental Accounting and Auditing Experience

Jamie's experience in the governmental sector includes management of numerous units of government. Such assignments include annual audits, single audits, TIF audits, grant specific audits, and other related projects. Jamie 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 Award from the GFOA in the first year of their submittal to the program or maintained their Certificate standing.

Jamie also has extensive government consulting experience, which includes the responsibility for all financial operations of the government unit, including, but not limited to, the maintaining of the general ledger, trial balance, balance sheet and consolidated financials. Jamie 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.





## Matt R. Beran, CPA

### Operations Partner

Matt Beran has over 18 years of professional accounting experience, 12 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, nonprofits and various other units of government.

### Educational and Membership Background

- 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

### Governmental Accounting and Auditing Experience

Matt'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.

Matt 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 Matt passes along this knowledge to clients to ensure they understand what is changing.

Matt 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. Matt 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.



## Audit Team Key Personnel

### **Monika Adamski**



Monika has 12 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 nonprofit entities and also specializes in internal control assessment for all governmental clients.

### **Tim Gavin**



Tim has 15 years of professional accounting experience exclusively in the governmental sector. He is a graduate of Northern Illinois University and is a Certified Public Accountant. Tim is specialized in audits, accounting services and financial reporting. He retains highly specialized skills in accounting and auditing software.

### **Jennifer Martinson**



Jen has 9 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.

### **Brad Porter**



Brad has 7 years of professional accounting experience exclusively in the governmental sector. He is a graduate of University of Saint Francis and a Certified Public Accountant. Brad specializes in staff development and the training and auditing of local governments and park districts.

### **Don Shaw**



Don has 12 years of professional accounting experience, 8 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.

### **Ann Scales**



Ann has 12 years of professional accounting experience exclusively in the governmental sector. She is a graduate of Marquette University and is a Certified Public Accountant. Ann specializes in finalizing Comprehensive Annual Financial Reports for our clients - meeting the requirements established by the GFOA. Ann has completed the AICPA's Nonprofit Level I and Level II Certificate Program. She specializes in auditing and performing consulting services for municipalities and nonprofits.



# AUDIT APPROACH






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## 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.

Below is our proposed schedule for your audit phases in accordance with the requirements stated in the RFP:

PHASE			TIMING	HOURS (EST)
	Phase 1	Planning	April	16 Hours
	Phase 2	Preliminary Fieldwork	May	24 Hours
	Phase 3	Fieldwork	Early June	258 Hours
	Phase 4	Drafts	Early July	30 Hours
	Phase 5	Audit Completion	Late July	14 Hours

### GFOA Certificate of Achievement

L&A fully supports the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. We have assisted many clients in obtaining their certificates and have submitted over a thousand award applications 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 one-hundred 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 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 Nonprofit Organizations.





## Phase 1: Planning



April

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.

## Phase 2: Preliminary Fieldwork



May

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.





## Phase 2: Preliminary Fieldwork (Cont'd)



**May**

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.

## Phase 3: Fieldwork



**Early June**

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.



## Phase 3: Fieldwork (Cont'd)



**Early June**

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

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

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 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

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## Phase 4: Drafts



Early July

The final completion and quality review of the initial draft of the Annual Financial Report will be completed at our office and a draft of the 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 Annual Financial Report as well as the client communication letters and submit a final draft of the Annual Financial Report to the Village.

## Phase 5: Audit Completion



Late July

Upon approval of the drafts by the Village, we will deliver final, bound financial 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 Annual Financial Report and communication letters with representatives of the Village.



# PRICE AND BILLING

LAUTERBACHAMEN.COM

## AUDIT SERVICES RFP RESPONSE FORM

Firm: Lauterbach & Amen, LLP  
Firm Contact/Project Manager: Ronald J. Amen, Partner  
Email Address: ramen@lauterbachamen.com  
Address: 668 N. River Road  
Naperville, IL 60563  
Telephone and Fax Numbers: Phone: 630.393.1483 | Fax: 630.393.2516  
Signature of Authorized Agent:  , Partner  
Date of Proposal Submission: December 6, 2021

## PRICE STRUCTURE

	April 30, 2022	April 30, 2023	April 30, 2024	April 30, 2025
<b>Village Audit and All Associated Work</b>	\$23,815	\$23,815	\$23,815	\$23,815
<b>Police Pension Fund Audit, if Applicable</b>	\$4,725	\$4,725	\$4,725	\$4,725
<b>Fire Pension Fund Audit, if Applicable</b>	\$3,850	\$3,850	\$3,850	\$3,850
<b>TIF Reports</b>	\$410	\$410	\$410	\$410
<b>Single Audit, if Required</b>	\$3,500	\$3,500	\$3,500	\$3,500



# PRICE AND BILLING

LAUTERBACHAMEN.COM

HOURS SCHEDULE				
	Hours	Standard Rate	Quoted Rate	Total
<b>Partner</b>	42	\$160	\$150	\$6,300
<b>Manager</b>	150	\$130	\$120	\$18,000
<b>In-Charge</b>	150	\$90	\$80	\$12,000
	342			\$36,300

In 24 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 FASB and GASB pronouncements.

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 no cost 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

LAUTERBACHAMEN.COM

We know that our best endorsement comes from satisfied clients. We invite you to contact the following clients who have been serviced by our firm to inquire about their experience and how our services continue to bring value to our clients. Additional references can be provided upon request.

### VILLAGE OF FRANKFORT\*

**Jenni Booth**

815.469.2177

jbooth@frankfortil.org



### VILLAGE OF LOMBARD\*

**Jamie Cunningham**

630.620.5916

cunninghamj@villageoflombard.org



### CITY OF WHEATON\*

**Robert Lehnhardt**

630.260.2000

BLehnhardt@wheaton.il.us



\* Indicates governments who currently hold the GFOA Certificate of Achievement.



# REFERENCES

## Additional Clients Served

L&A stands by our quality and service. As such, we encourage you to reach out to any of the clients listed below that we serve to learn more about their experience with our firm.

### Municipalities, Townships and Counties

Addison Township	Cuba Township	Harvard	Markham	Pingree Grove*	Streamwood*
Algonquin	Dolton	Henry County	Mendota	Plano	Streator
Antioch*	East Dundee*	Hinckley	Midlothian	Poplar Grove	Sugar Grove*
Barrington	East Hazel Crest	Hinsdale	Milton Township	Princeton	Sycamore*
Barrington Hills	East Moline	Homewood	Monee	Prospect Heights	Thornton*
Bartlett*	Elburn	Inverness	Montgomery*	Riverside*	Timberlane
Beach Park*	Elk Grove Village*	Johnsburg*	Morton Grove*	Riverwoods	Vernon Hills
Berkeley	Elwood*	Justice	Mount Prospect	Rock Island*	Volo
Bloomington*	Elyssa's Mission	Kenilworth	Naperville Township	Rockford*	Warrenville*
Bradley	Evanston	Kildeer*	New Milford	Rolling Meadows*	Waukegan
Buffalo Grove*	Fox River Grove	Lake Barrington	Normal*	Rosemont	West Chicago*
Burlington	Frankfort*	Lake Bluff	North Aurora*	Round Lake Beach	Western Springs
Burnham	Georgetown	Lake Villa	North Barrington	Sandwich	Wheaton*
Burr Ridge	Gilberts*	LaSalle County	North Riverside*	Schaumburg	Willow Springs
Campton Hills	Glen Ellyn*	Libertyville*	Northbrook	Shabbona	Wilmette*
Carpentersville*	Glencoe*	Lincolnwood*	Northfield*	Skokie	Winnetka*
Cary	Glenview*	Lindenhurst	Northfield Township	Sleepy Hollow	Winthrop Harbor
Champaign	Golf	Lombard*	Orland Park	South Barrington	Woodridge*
Cherry Valley	Grayslake	Lyndon	Palos Park*	South Elgin*	York Township
Cortland	Gurnee*	Manhattan*	Park Forest*	Stickney	Yorkville*
Country Club Hills	Hampshire	Maple Park	Park Ridge	Stone Park	Zion Township

\* Indicates governments who currently hold the GFOA Certificate of Achievement.



Municipalities

110+



Park Districts

65+



School Districts

35+



Libraries

45+



Pension Funds

450+



Other Entities

100+



## ELLIN & TUCKER

### REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners of  
Lauterbach & Amen, LLP and the Peer Review Alliance Report Acceptance Committee

We have reviewed the system of quality control for the accounting and auditing practice of Lauterbach & Amen, LLP (Firm) in effect for the year ended June 30, 2019. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### FIRM'S RESPONSIBILITY

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. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and remediating weaknesses in its system of quality control, if any.

#### PEER REVIEWER'S RESPONSIBILITY

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.

#### REQUIRED SELECTIONS AND CONSIDERATIONS

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.



## ELLIN & TUCKER

### OPINION

In our opinion, the system of quality control for the accounting and auditing practice of Lauterbach & Amen, LLP in effect for the year ended June 30, 2019 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 blue ink that reads 'Ellin &amp; Tucker' in a cursive script.

ELLIN & TUCKER  
Certified Public Accountants

Baltimore, Maryland  
December 27, 2019

VILLAGE OF HOMEWOOD, ILLINOIS (LIST OF REQUESTED MATERIALS)

Entrance Conference

April 30, 2022

➤ Meeting Attendance

➤ Review Significant Changes/Accounting Issues

- Internal Controls
- Computer Systems
- Debt Issues
- Funds
- Contractual Agreements
- Capital Assets - Additions & Deletions
- Revenue Sources
- Personnel Changes
- (Comprehensive) Annual Financial Report
- GASB Pronouncements
- Policy Changes/Updates

➤ Other Services

Police and Fire Pension – Separate Auditors

Police and Fire Pension – Monthly Accounting

Actuary Police & Fire GASB 67/68, OPEB GASB 74/75 (Rollforward)



# **VILLAGE OF HOMEWOOD, ILLINOIS (LIST OF REQUESTED MATERIALS)**

## **Entrance Conference**

**April 30, 2022**

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### **➤ Requested Materials**

#### Administrative

##### Confirmations

Ready at Preliminary Fieldwork

##### Minutes

Village Board – Available for Review

Police Pension Board – N/A

Fire Pension Board – N/A

##### Budget/Appropriations

Copy of Original Budget/Appropriations with Board Ordinance

Detail of the Budget with Reconciliation of Fund Totals to Board Ordinance

Copy of Budget Amendments/Transfers

##### Actuarial Reports

Police Pension

Firefighters' Pension

OPEB

IMRF

Census Data for Actuarial Reports

Component Unit Information – if Applicable

Copy of PY CAFR Certificate Award - if Applicable

# VILLAGE OF HOMEWOOD, ILLINOIS (LIST OF REQUESTED MATERIALS)

## Entrance Conference

April 30, 2022

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### ➤ Requested Materials- Continued

#### Trial Balances

Cumulative General Ledger - Copy or Electronic

#### Cash

Bank Reconciliations - All Accounts

Copies of Bank Statements at Fiscal Year End - All Accounts

Copies of Bank Statements for 1<sup>st</sup> Month after Fiscal Year End - All Accounts

List of Deposits in Transit - All Accounts

List of Outstanding Checks - All Accounts

Copies of Collateral Agreements & Statements of Collateral Held at Fiscal Year End

IMET – Liquidating Trust

#### Investments

Summary of Investments - All Funds

Copies of Bank/Brokers Statements at Fiscal Year End

#### Governmental – Revenue/Receivables

Copy of Ordinances Establishing New Revenue Sources

Copy of Ordinances for Revenue Rate Changes

Sales Tax Revenue/Receivable

State Income Tax Revenue/Receivable

Utility Tax Revenue/Receivable

Court Fines Revenue/Receivable

Franchise Fees Revenue/Receivable

Motor Fuel Tax Revenue/Receivable

Miscellaneous Receivables – Detail Listing – by Fund

Copy of Property Tax Levy Ordinance

Copy of Property Tax Abatement Ordinances

Schedule of Property Tax Collections and Allocations Reconciled to T/B's – by Fund

Copy of County Final Extensions Statement

Copy of County Final Distribution Statement

Road and Bridge Tax Revenue/Receivable

#### Proprietary – Revenues/Receivables

Copy of Ordinance for Revenue Rate Changes

Summary of Gallons Billed vs Pumped - Current Year and Prior Year

Water Accounts Receivable Billed - Aging

Water Accounts Receivable Unbilled - Estimate

Significant Revenue/Receivable Reconciliations (Sewer, Garbage, Parking, Golf,

Stormwater, Utility, etc. – as Applicable)

# VILLAGE OF HOMEWOOD, ILLINOIS (LIST OF REQUESTED MATERIALS)

## Entrance Conference

April 30, 2022

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### ➤ Requested Materials - Continued

#### Inventories

Detailed Listing – by Fund

#### Interfunds

Schedule of Due to/Due from

Schedule of Transfers – Purpose of Transfer

#### Capital Assets

Summary of Capital Assets Cost and Accumulated Depreciation

Detail Listing of Capital Assets Cost by Function and Activity

Detail Listing of Capital Assets Depreciation by Function and Activity

Detail Listings – Additions and Deletions

Reconciliation of Additions to Capital Outlay Accounts

Current Contributed Assets

#### Accounts Payable and Related

Accounts Payable Summary – by Fund

Accounts Payable Detailed Listing

Search for Unrecorded Liabilities

List of Disbursements/Check Register since Fiscal Year End

Retainage Payable

Detailed List of Retainage Payable – by Fund at Fiscal Year End

Copies of Large Construction Contracts Outstanding at Fiscal Year End

Invoices of all Legal Expenses

Reconciliations for Miscellaneous Liabilities

#### Payroll and Related

Accrued Payroll - All Funds

Accrued Payroll - Copy of Applicable Payroll Summary

Accrued Compensated Absences - All Funds

IMRF Payable/Payments Reconciliation - All Funds

FICA Payable/Payments Reconciliation - All Funds

941 Reconciliation to Expenditures/Expenses and Copies of Quarterly 941s

## **VILLAGE OF HOMEWOOD, ILLINOIS (LIST OF REQUESTED MATERIALS)**

### **Entrance Conference**

**April 30, 2022**

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#### **➤ Requested Materials - Continued**

##### **Debt Service Payables/Payments**

###### **New Debt Issuances**

Copy of Ordinance

Copy of Repayment Schedule from Bank or Finance Company

Copy of Escrow Agreement if Refunding Bonds

###### **Early Repayment of Debt - if Applicable**

Copy of Board Ordinance

Bank Support for Payment

Copy of Updated Repayment Schedule if Debt Balance is Outstanding

Arbitrage Calculation - if Applicable

##### **Fund Balance/Fund Equity/Net Position**

Equity Reconciliation to Prior Audit

Detail List of any Changes to Equity

##### **Grants**

Copy of Grant Agreements

Copy of Grant Revenue Receipt

Single Audit Requested Materials/Questionnaire – if Applicable

##### **Risk Management**

Copy of Current Insurance in Force

Pools (IRMA, IPBC, etc.) - Reconciliation of Payments/Payables to T/B's

Copy of all Insurance Expense Invoices