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January 20, 2016

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

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 and their frequency. Our services will cover the year ending December 31, 2016.

You are responsible for assuming all management responsibilities, and for overseeing any bookkeeping services, tax services, or other 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.

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

- We will provide a staff level accountant with one to three years of experience to assist you with various accounting related duties and special projects as determined by you. This person will be available to you two days a week as we will mutually agree upon for eight hours each day, and could also be available to you an additional day each week from time to time as you deem necessary as long as we are given two weeks advance notice of the extra day. We may have more than one person that is used for this position and they may be rotated on a regular basis.
- We will provide a staff level accountant to assist with various bookkeeping related duties as determined by you. This person will be available to you on Thursday of each week beginning February 5, 2015.
- We will provide someone to assist you with various utility billing related duties as determined by you. This person will be available to you as needed and as we will mutually agree upon. Tentatively, we expect to make someone available approximately four days a month (two days around the 1st of the month, one around the 15th, and one at the end of the month). We currently expect that the Village internal staff would cover in the event of any illness or vacation. However, we could also provide a second person for cross training if you decide that is in your best interest.

eder, casella & co.

You will also have an opportunity to request changes in staffing for the above services as needed or desired.

You are responsible for:

1. Designing, implementing, and maintaining internal control.
2. Preventing and detecting fraud.
3. Identifying and ensuring that the Company 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.

Our fees for these services will be as follows:

| | |
|------------------------------|--------------|
| 1) Accounting Assistant | \$76.50/hour |
| 2) Bookkeeping Assistant | \$61.00/hour |
| 3) Utility Billing Assistant | \$51.00/hour |
| 4) Travel | \$20.00/trip |

This engagement is separate and apart from, and in addition to, any existing engagements for fixed asset tracking and pre-audit services.

All fees will be billed to you monthly, payable upon receipt. Amounts unpaid after 30 days will be charged late fees at a rate of 1-1/2% per month in addition to costs of collection. This is an Annual Percentage Rate of 18%.

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.

This letter will be effective for future years if we are engaged in the future to perform a compilation, unless the letter is amended or superseded.

Please indicate your acceptance of the above understanding by signing below. In the event you provide us with some of the information necessary to perform these services, the commencement of our services constitutes your acceptance of the terms of this letter, even if this engagement agreement is not signed. 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: ^{CBK} 

Date: 2/4/15

Comments or additional requests: _____

