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April 24, 2017

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

Eder, Casella & Co. would be pleased to provide Village of Grayslake with the services described below. This letter, and the attached Terms and Conditions Addendum and any other attachments incorporated herein (collectively, "Agreement"), confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we can provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Scope of Engagement

The following summarizes the services we can provide for the years ending April 30, 2017, 2018, and 2019:

- 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

You agree that you are not and will not be entitled to rely on any advice given to you by us unless it is requested and provided in writing.

Client Responsibilities

You authorize our firm to accept instructions from your representative for this engagement.

You agree that your management and employees are ultimately responsible for the proper recording of transactions in the records, the safekeeping of assets, and the accuracy of your trial balance and financial statements.

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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.

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.

CPA Firm Responsibilities

This engagement is limited to the services outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to take any action that may be construed as making management decisions or performing management functions, including determining account codings and approving journal entries. We will not perform management functions or make management decisions for you. However, we may provide advice, research materials, and recommendations to assist your management in performing its functions and making decisions within the scope of this engagement.

The above services will be performed based upon information you provide to us. We will perform our services under the assumption that all information you submit is true, complete and accurate according to documents and other information retained in your files. We will not verify or audit this information.

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.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control system as part of this engagement.

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.

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.

Professional Fees

Our fees will be as follows:

Year ending April 30, 2017	\$ 10,750.00
Year ending April 30, 2018	11,075.00
Year ending April 30, 2019	11,400.00

These estimates are based on our past experience with your audit examination and our projection of time requirements with the understanding the following conditions will be met:

1. The general ledger is in balance by individual fund;
2. The cash is reconciled, on a monthly basis, to the amounts shown on your general ledger;
3. Your staff will be available to answer questions, locate misplaced documents and resolve problems as needed;
4. Your filing system allows for easy retrieval of the documents we request; and
5. Your staff will continue to provide us with some of the base work for the accruals as they have in the past.

The actual fees may vary from the amounts shown due to variations in the conditions shown, additional procedures requested, significant new construction incurred, new bonds issued, and other significant changes in the accounting and reporting from the prior year. Fees for such additional services would be billed at our standard hourly rates. We would inform you if we were experiencing any difficulty that would cause any increase in the base fee. Services 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.

For any other services we provide, our fees will be based on time required at our regular rates for the type of services and personnel assigned plus out-of-pocket costs. We also give consideration to the difficulty and size of the assignment, the degree of skill required, time limitations imposed on us by others, the experience and ability of the personnel assigned, the nature of the project, the level of cooperation by the client's staff, and the value of the services to the client. Services will be billed monthly and are payable upon receipt.

We appreciate the opportunity to be of service to you. Please date and sign this Agreement and return it to us to acknowledge your agreement with its terms. 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.

Sincerely,

Eder, Casella & Co.

Eder, Casella & Co.
Certified Public Accountants

Accepted by: ^{LOK} 

Date: 5-11-17

Comments or additional requests: _____



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TERMS AND CONDITIONS ADDENDUM

Billing and Payment Terms

Payment is due within 30 days of the date on the billing statement. If payment is not received by the due date, you will be assessed interest charges of 1.5% per month on the unpaid balance.

We reserve the right to suspend or terminate our work for non-payment of fees. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of our services.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, or store electronic data via computer software applications hosted remotely on the Internet or clouds. Your confidential electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws, regulations, and professional standards. We require our third party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third party service providers during this engagement.

Client Portals

To enhance our services to you, we will use Client Portals, a collaborative, virtual workspace in a protected, online environment. Client Portals allow for real-time collaboration across geographic boundaries and time zones and allows Eder, Casella & Co. and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use Client Portals, you agree to be bound by the terms, conditions and limitations of the client portal agreement located on our website.

You agree that Eder, Casella & Co. has no responsibility for the activities of Client Portals and agree to indemnify and hold Eder, Casella & Co. harmless with respect to any and all claims arising from or related to the operation of Client Portals. While Client Portals backs up your files to a third party server, we recommend that you also maintain your own backup files of these records.

Records Management

Record Retention and Ownership

We will return all your original records and documents provided to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

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Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without our prior written consent. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. A copy of our record retention policy is available upon request.

Our firm destroys workpaper files after a period of seven years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.

Working Paper Access Requests by Regulators and Others

State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests may also come in the form of peer review, ethics investigations or in the sale of the accounting practice. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by law or regulation, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate at your own expense to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis. If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement and we are not prohibited from doing so by law or regulation, we agree to inform you of such summons or subpoena as soon as practical.

You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate at your own expense to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Brokerage or Investment Advisory Statements

If you provide our firm with copies of brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described in the scope of engagement section. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend you receive and carefully review all statements upon receipt, and direct any questions regarding account activity to your banker, broker or investment advisor.

Other Income, Losses and Expenses

If you realized income, loss or expense from a business or supplemental income or loss, the reporting requirements of federal and state income tax authorities apply to such income, loss or expense. You are responsible for complying with all applicable laws and regulations pertaining to such operations, including the classification of workers as employees or independent contractors and related payroll tax and withholding requirements.

Accountant – Client Privilege

Internal Revenue Code §7525, Confidentiality privileges related to taxpayer communication, provides a limited confidentiality privilege covering certain tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations.

This privilege is limited in several important respects. For example, this privilege does not apply to your records, which you are required to retain in support of your tax return. In addition, the privilege does not apply to state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings. While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this matter.

Management Responsibilities

While Eder, Casella & Co. can provide assistance, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee any services Eder, Casella & Co. provides. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Conflicts of Interest

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product.

Alternative Dispute Resolution

If a dispute arises out of or relates to this engagement letter including the scope of services engagement contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the Professional Accounting and Related Services Dispute Resolution Rules before resorting to arbitration, litigation, or some other dispute resolution procedure. The mediator will be selected by agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. Any mediator so designated must be acceptable to all parties. The mediation will be conducted in Illinois. The mediation will be treated as a settlement discussion and, therefore, will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the hiring party.

Loss Limitation and Indemnification

Eder, Casella & Co.'s liability for all claims, damages, and costs arising from this engagement is limited to only the total amount of fees paid by you to Eder, Casella & Co. for services rendered for the period under this agreement.

You agree to hold Eder, Casella & Co. harmless from any and all claims which arise from knowing misrepresentations to Eder, Casella & Co. by your management, or the intentional withholding or concealment of information from Eder, Casella & Co. by your management. You also agree to indemnify Eder, Casella & Co. for any claims made against Eder, Casella & Co. by third parties which arise from any of these actions by your management. The provisions of this paragraph shall apply regardless of the nature of the claim.

You agree to indemnify, defend, and hold harmless Eder, Casella & Co. and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns with respect to any and all claims arising from this engagement, regardless of the nature of the claim, and including the negligence of any party, excepting claims arising from the gross negligence or intentional acts of the firm.

Designation of Venue and Jurisdiction

We agree that the courts of the State of Illinois have jurisdiction over the parties. We also agree that the laws of the State of Illinois shall govern all such disputes.

Statute of Limitations

You agree that any claim arising out of this engagement letter shall be commenced within one (1) year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Eder, Casella & Co.

Termination and Withdrawal

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Assignment

All parties acknowledge and agree that the terms and conditions of this engagement letter shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

Severability

If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

Entire Agreement

This engagement letter, including the Terms and Conditions Addendum and any other attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this engagement letter must be made in writing and signed by both parties.