

# MUELLER

*Certified Public Accountants ~ Business Advisors*



EBD #4.15  
2014-2015

## **Audit Proposal by Mueller & Co., LLP**

### **Prepared for the American Library Association**

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## Table of Contents

<b>Continuing to Meet Your Needs</b> .....	<b>1</b>
<b>Firm Overview</b> .....	<b>3</b>
<b>Firm Qualifications &amp; Differentiations</b> .....	<b>4</b>
<b>Clients Served</b> .....	<b>7</b>
<b>Commitment to the Not-For-Profit Community</b> .....	<b>9</b>
<b>Your Continuing Client Services Team</b> .....	<b>10</b>
<b>Tax Quality Control Best Practices</b> .....	<b>16</b>
<b>The Audit Approach and Timeline</b> .....	<b>18</b>
<b>The Proposal Fee</b> .....	<b>21</b>
<b>Conclusion</b> .....	<b>22</b>
<b>Appendix A: Peer Review Report</b> .....	<b>23</b>
<b>Appendix B: Specialty Services</b> .....	<b>24</b>



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## Continuing to Meet Your Needs

***As respected experts in certified public accounting, Mueller & Co., LLP (Mueller) is pleased to present this proposal to continue to provide audit and tax services to the American Library Association (the Association). We will continue to increase our understanding of what you consider important in your relationship with our audit, tax, and business advisors. On the pages that follow, we emphasize the areas of significance to you and provide insights into how we can continue to exceed your expectations.***

### **Situation Overview**

Mueller has a team that helps not-for-profit entities manage, develop, and maintain an organization at peak performance. We will consider it a privilege to continue to work with the Association whose mission is to provide leadership for the development, promotion, and improvement of library and information services and the profession of librarianship, in order to enhance learning and ensure access to information for all. The association also works at the local, state, and national levels to effectively promote and advocate for libraries, encouraging the development of library foundations, and engaging corporate supporters to unite and strengthen voices in support of libraries. We look forward to the opportunity of building off the efficiencies we have begun to develop over the past three years.

We have appreciated the opportunity to work with Gregory Calloway and the rest of the Finance Department over the last three years and will continue to focus on the following issues which we understand are most important to the Association:

- 1) A responsive team who meets your deadlines and communicates all issues in a timely manner.
- 2) A knowledgeable team that provides guidance in not-for-profit best practices and is committed to the not-for-profit industry providing experienced personnel and resources to the Association. We are pleased that we have been able to maintain a consistent engagement team and will continue continuity for the next three years.
- 3) A proactive team who makes you aware of changes in accounting standards and tax changes during the year and provides training on these topics.
- 4) An advisory team who prepares a meaningful management letter that provides suggestions to improve internal controls and other matters to enable you to be more efficient and achieve your goals.
- 5) A firm which thoroughly understands the Association's internal accounting operations.
- 6) A firm that will provide a competitive and fair fee for audit and tax services.



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## Proposed Services

It is our understanding that the Association is seeking professional services for:

1. Audit of the annual consolidated financial statements of the Association, Margaret Edwards Trust, and the ALA-Allied Professional Association, in conformity with generally accepted accounting principles in the United States of America for the years ending August 31, 2015, 2016, and 2017.
  - Which includes an annual review of the impairment testing of goodwill (and if applicable intangible assets).
2. Compliance audit of two programs in accordance with OMB Circular A-133.
  - In addition, we will prepare a management letter providing recommendations that may arise while we are performing the above mentioned audit. These recommendations will include discussion of internal controls, which may allow for recommendations to assist Management in operating more efficiently and effectively.
  - Finally, we will meet with the Finance and Audit Committee (Treasurer) for a planning meeting to discuss expectations and timeline of the audit and a closing meeting to discuss results of the audit and our required communications.
3. Engagement Partner and Employee Benefit Partner to present the audit findings to the Finance and Audit Committee and Executive Board at the annual mid-winter meeting of the Association.
4. Review of the Association's annual Federal Form 990 and AG 990-IL tax returns (and as deemed necessary, advise the Association regarding specific tax planning and other matters).
  - An organization's Form 990 often provides information from which a first impression is developed. We use an in-depth interview approach in gathering data so that everything on Form 990 presents the organization in its truest and best light.



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## Firm Overview

Mueller is a certified public accounting and business consulting firm located in the Chicago metropolitan area with offices in Elgin and Chicago. Since 1968 the firm has provided accounting, tax, assurance, and management consulting services, to privately held and publicly traded companies, local governments, and not-for-profit organizations within a wide variety of industries.

Our firm is a reflection of years of listening and caring for our clients. We are proud of the professional and personal relationships developed within our communities. What started out as a small CPA firm has blossomed through acquisitions and organic growth, into an organization that employs approximately 100 individuals including 13 partners, wealth management advisors, professional staff accountants, and auditors; who are supported by paraprofessionals and administrative personnel.

Crain's Chicago Business listed Mueller as the **19th largest accounting firm** in the Chicago area. We also have earned the distinction of one of the "*Best Places to Work in Illinois-2012, 2013, and 2014*".

### **Our Mission Statement:**

*"Enhancing the lifetime success of our clients through innovative financial, accounting, and business management services."*

We strongly believe in this business philosophy and maintain an open line of communication and accessibility with our clients, while offering services outside the typical accounting arena to provide a well-rounded approach for businesses and private individuals.

### **Independence**

Mueller is independent with respect to the Association as defined by the AICPA professional standards, as well as Government Auditing Standards.

### **Licensed**

We are a licensed firm in Illinois; our license number is 066.003328.



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## Firm Qualifications & Differentiations

### Business Understanding

While other firms have reduced their resources devoted to the not-for-profit industry, we at Mueller have and will continue to increase our resources and investment in the not-for-profit industry. We offer:

- A partner-led service experience.
- A-133 Single audit expertise. John Fedus has led A-133 Single audit training for organizations and individuals, and spoke on the topic at the AICPA and Illinois CPA Society Conferences.
- A dedicated Not-For-Profit Practice Group which includes Partners, Directors, Managers, and staff who spend 100% of their time working on not-for-profits.
- An engagement team with excellent continuity. Over the past three years we have only had one change in personnel within the engagement team.
- Knowledge of the local business landscape and not-for-profit community.
- Professionals who not only have audit and tax expertise but who have also served in the CFO role at not-for-profit organizations.
- Professionals who serve as Board Members for not-for-profits.
- Quarterly not-for-profit educational seminars which address the important issues facing this sector.
- Experience serving over 100 not-for-profit organizations and financially supporting many more through sponsored advertising and donations.
- Quarterly newsletters for the not-for-profit industry.

### Reputation

- **Thought Leadership:**
  - John Fedus, your Engagement Partner, has been a member of the Illinois CPA Society Not-For-Profit Committee for over three years and has spoken on a variety of Not-for-Profit issues at annual AICPA and Illinois CPA Not-for-Profit conferences. He was the Chairman of the 2013 and 2014 Illinois CPA Society Not-for-Profit conference.



- **Peer Review:**

Since 1981, Mueller has undergone a peer review conducted under professional standards by the American Institute of Certified Public Accountants (AICPA). The AICPA mandates that participating certified public accounting firms undergo a quality review of their practice every three years. Each year the independent CPA team that performed the review concluded that Mueller complies with the stringent quality control standards set by the AICPA. (*See Appendix A for Peer Review Report*).

- **Unblemished Record**

- The Firm has no disciplinary actions pending or taken against it with state regulatory bodies or professional organizations. The Firm and members of the Firm have never been involved in any disciplinary actions. The Firm prides itself on the quality of its audit and tax practice.
- There are no complaints leveled by the State Board of Accountancy or other regulatory authority against the Partner, Manager, or In-Charge Accountant of the proposed service team.

**Professional Associations:**

We are members of **CPAmerica International**, which gives us instant access to the expertise and resources of more than 2,500 professionals nationally and internationally. **CPAmerica International** is a member of **Crowe Horwath International**, providing our firm additional access to more than 160 independent accounting and advisory service firms in more than 100 countries worldwide. **We have leveraged these resources in a proposal to the Association, for which we were hired, to perform the annual 403(b) employee benefit audit.**

- Mueller is registered with the **Public Company Accounting Oversight Board** (PCAOB), and is a member of the **American Institute of Certified Public Accountants** (AICPA) and the **Illinois CPA Society** (ICPAS).
- Our Firm is also a member of the **AICPA Audit Quality Center**. AICPA member firms show their commitment to providing quality audit services to businesses by voluntarily adhering to higher standards of audit quality in their policies, procedures, and training related to the performance of their audits.
- Mueller is also a member of the Association Forum of Chicagoland.



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## Resources

We have the resources to assist in areas such as analysis of operations, contributions, bequests and split interest agreements, endowments, alternative investments, tax planning, strategic tax considerations for unrelated business activities, and compensation and benefit plans rules and regulations. This in-depth knowledge and pool of resources allows us to provide you with practical management advisory comments and feedback regarding best practices in your industry. (*See appendix B for specialty services*).

## Continuity

A unique fact about our Firm is that we have a very low turnover of professional staff. As a result, we are able to deliver staff continuity from year-to-year, and you will enjoy working with experienced professionals. This has been maintained for the first three years of working with the Association. Additionally, when partners are assigned to accounts, they continue working on that account and are not rotated periodically, except as required by professional standards. This provides continuity, which lessens the burden on your staff and ultimately reduces costs.

## Client Confidentiality And Security

- At Mueller, we are committed to safeguarding client information. Maintaining trust is one of the core values of our firm. Since your privacy is a priority to us, we will not share nonpublic information about you with third parties without your consent.
- In order to facilitate a highly secure method for exchanging electronic files between our Firm and our clients, we have implemented a secure, trackable method for sharing large files via a hosted website called **ShareFile**.
- All laptops of our audit and tax professionals are encrypted to protect our clients' information.





## Clients Served

Our client base includes not-for-profit organizations which believe that family and community are cornerstones of our society. This relevant experience allows us to provide the most advantageous solutions for our clients. Our industry experience includes, but is not limited to:

- Professional and Trade Associations
- Social Service Organizations
- Religious Organizations
- Affordable Housing
- Civic and Community Organizations
- Government & Municipal Agencies
- Educational Entities

A listing of some of the NFP clients that we currently serve or have worked with is as follows:

CLIENTS SERVED	TYPE
Alzheimer's Disease and Related Disorders Association	Professional Organization
American College of Allergy, Asthma and Immunology	Professional Organization
American College of Chest Physicians	Professional Organization
American College of Healthcare Executives	Professional Organization
American Institute of Steel Construction	Trade Organization
American Library Association	Professional Organization
Boys & Girls Club of Chicago	Social Services
Bright Stars of Bethlehem	Religious Organization
Center For Enriched Living	Social Services
Chicago Foundation for Women	Foundation
Childs' Voice School, Inc.	Education
Community Alternatives Unlimited	Social Services



CLIENTS SERVED	TYPE
Cook Memorial Public Library District	Government & Municipalities
Epilepsy Foundation Greater Chicago	Social Services
Fermi Research Alliance	Government
Fox Valley Habitat for Humanity	Community Housing
Giant Steps Illinois	Social Services
Lions Club International	Social Services
Metropolitan Family Services	Social Services
Myasthenia Gravis Foundation of America	Foundation
National Association of Realtors	Professional Organization
National Marine Manufacturers Association	Professional Organization
National Restaurant Association Educational Foundation	Professional Organization
North Park University	Education
North West Housing Partnership	Community Housing
Northern Illinois District of the Lutheran	Religious Organization
Ounce of Prevention	Social Services
Salvation Army Central Territory	Social Services
Salvation Army Chicago Metropolitan Division	Social Services
Salvation Army Crystal Lake Corps	Social Services
Salvation Army Joliet & Will County	Social Services
Salvation Army Lake County Indiana	Social Services
Salvation Army Golden Diners	Social Services
United Way	Social Services
Village of Oakwood Hills	Government & Municipalities
Well Child Center	Social Services
Winfield Public Library	Government & Municipalities
Winfield Township	Government & Municipalities
Youth Connection Charter School	Education



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## Commitment to the Not-For-Profit Community

Mueller employees see enormous potential in building a better future for our clients and the community in which we serve. Through one of our core values of stewardship, we support many not-for-profit organizations. Partners, professional staff, and administrative staff contribute substantial time, energy, and funds to the causes in which they believe.

- **2009: Mueller raised \$75,000 and contributed volunteer labor to assist Habitat for Humanity, NFV to build a home in Elgin.**
- **2011 and 2012: We were a Gold Sponsor (\$40,000) and supplied a team of volunteers for the Y-ME National Breast Cancer Organization – Race at your Pace event on Mother’s Day.**
- **2011: Mueller volunteers helped to hand out food and clean up the grounds at the Salvation Army headquarters in Elgin, as part of United Way’s Day of Caring.**
- **2011 and 2012: Our firm supplied a team of five to work at the Association for Individual Development’s annual auction.**
- **2011, 2012, and 2013: Mueller supplied a team of 10 to answer telephones at the Association for Individual Development’s telethon.**
- **2014: Mueller was a corporate sponsor of Make a Wish® Illinois “Walk & Run for Wishes Chicago” event.**
- **2014: Mueller was a corporate sponsor for the Food for Greater Elgin and supplied a team of volunteers to assist the food bank throughout the year.**
- **2015: Mueller is a corporate sponsor for the Food for Greater Elgin and will be supplying a team of volunteers to assist the food bank throughout the year.**



## Your Continuing Client Services Team

Team professionals are selected for their technical ability, experience, and management skills. All members of our engagement team receive extensive training, and are experienced in financial reporting and auditing. All members of our audit and tax team are CPAs or CPA candidates. All auditors assigned to this engagement have worked with the Association for the past three years (except Kyle Wehrli, 1 year) and our team looks forward to building on our experience with the Association.

### Your Team:

MUELLER MEMBER	TITLE	EXPERIENCE
John Fedus	Engagement Partner	25 years
Jeffrey Delheimer	Employee Benefit Partner	17 years
Tim Koehl	Senior Auditor	12 years
Diane Hasty	Staff Auditor	20 years
Kyle Wehrli	Staff Auditor	1 year

Curricula Vitae of your team members are attached for your consideration:

JOHN M. FEDUS

CPA

*Partner*



### **Experience**

John brings over 25 years of experience in coordinating and completing all phases of the audit process with large not-for-profit organizations which include, religious, charitable, membership, and community development organizations; social services, schools, social clubs, museums, and foundations. Their assets range between \$20 million and \$15 billion and their revenues are between \$20 million and \$500 million. In addition to leading audits, John has also served as interim CFO for not-for-profit organizations.

He has designed, developed, and implemented training courses for Associate and Senior Associates on not-for-profit and OMB A-133 Single Audits. In October 2008, John was the speaker at the AICPA national not-for-profit conference and has presented to numerous other organizations. John has received "excellent" ratings from past client surveys and continues to focus his energy on high client service and timely service delivery. In May 2010, John became a member of the Illinois CPA Society Not-for-Profit committee and spoke at the 2011 Illinois CPA Society Annual Not-For-Profit Conference. In 2013, John became the Chairperson for the annual Illinois CPA Society Conference Committee.

John's clients have included: the Salvation Army Central and Eastern Territories, Alzheimer's Disease and Related Disorder Association, American Library Association, National Restaurant Association Educational Foundation, International Teams, and the Lion's Club International.

### **Education**

B.A., Accounting, University of Illinois, Champaign, 1987

Licensed Certified Public Accountant, Illinois, 1993

### **Professional and Civic Organizations**

American Institute of Certified Public Accountants (AICPA)

Illinois CPA Society (ICPAS)

Illinois CPA Society (ICPAS) Not-For-Profit Committee, Member

Kappa Sigma, Board of Directors

Treasurer, Preservation for Human Dignity

**JEFFREY A. DELHEIMER**

CPA

*Partner***Experience**

As Partner and Firm Executive Committee Member, Jeff has 17 years of experience in the areas of assurance, corporate governance, accounting, tax, audit, and business consulting. His effective problem solving, leadership, and communication skills strengthen his ability to perform, review, and supervise client engagements. He takes a very client-centric approach when advising individuals or owners of closely held family businesses ranging in size from start-ups to large private companies.

Jeff is the Partner-in-Charge of the Firm's Employee Benefit Services Group. His areas of expertise include defined contribution employee benefit plan audits as well as regulatory and tax compliance. This experience is supported by a solid understanding of ERISA, DOL, and IRS requirements. He works closely with the Firm's representative of the Employee Benefit Audit Quality Center to ensure a quality and efficient audit approach.

**Education**

B.S., Agriculture, University of Illinois, Urbana-Champaign, 1995  
Licensed Certified Public Accountant, State of Illinois, 1999  
Series 66 – Uniform Combined State Law, 1999  
Series 7 – General Securities Representative, 2000  
Illinois Life Insurance License, 2010

**Professional and Civic Organizations**

American Institute of Certified Public Accountants (AICPA)  
Illinois CPA Society (ICPAS)  
University of Illinois Alumni Association  
Fundraiser for the Larkin Center and the United Way of Elgin

Securities offered through 1st Global Capital Corp. Member FINRA/SIPC. Investment Advisory Services including fee based asset management accounts held through NFS, LLC are offered through 1st Global Advisors, Inc. All other financial planning services are offered through Mueller Financial Services, Inc. Mueller Financial Services, Inc. and 1st Global Capital Corp. are unaffiliated entities.

TIM M. KOEHL  
MBA

*Senior Auditor*



### **Experience**

Tim has 12 years of professional experience assisting clients in areas of auditing and accounting. For over five years, he assisted in the audit of a national health and welfare organization and has eight years of experience with not-for-profit accounting (including three years with the American Library Association). His extensive knowledge of both Peachtree® and QuickBooks® accounting systems is valuable for his clients.

As an Auditor, Tim provides ongoing assistance to management and staff in overseeing engagement planning, fieldwork, and financial statement preparation. In addition, he is always eager to aid management and staff with any questions or concerns. His auditing experience includes assessing internal controls and risks, provide suggestions to strengthen internal controls and processes, and getting an understanding of the client's accounting system.

### **Education**

B.S., Accounting, Northeastern Illinois University, Chicago, 2001

M.B.A., University of Phoenix, Schaumburg, 2004

Certified QuickBooks® ProAdvisor, 2006, 2007, 2008, 2009

### **Professional and Civic Organizations**

Illinois CPA Society (ICPAS)

DIANE C. HASTY

CPA

*Staff Auditor*



**Experience**

Diane has 20 plus years of experience in the areas of accounting, internal auditing, finance management, contract management, and business consulting services. Her expertise in the areas of accounting system design, managerial cost control, and re-engineering of financial procedures has allowed her to work effectively on projects with government contractors and commercial clients to assist them in business process improvement and assist in their growth and development.

Prior to co-founding Keystone Advisors of Illinois (KAI) in 2008, Diane was Vice President of Finance for a Government Defense Contractor. In this role, she was responsible for managing all accounting, finance, and human resource functions for all three of their locations. She was instrumental in the design and development of accounting and internal control systems and procedures. She directed preparation of annual budgets, annual financial audits and reviews, and specialized in financial audits by governmental agencies. She oversaw all staff development and training programs and was a member of the Company Quality Control/QS9000 Committee.

Her effective management skills and excellent analytical skills add to her ability to complete, review, and supervise various accounting engagements for the firm.

**Education**

B.S. Accounting, DePaul University  
Licensed Certified Public Accountant, State of Illinois

**Professional and Civic Organizations**

Illinois CPA Society (ICPAS)  
Association of Government Accountants (AGA)  
The Emmaus Community College Connections  
Flossmoor Service League



KYLE WEHRLI

*Staff Auditor*



**Experience**

Kyle joined Mueller in 2014 as an Associate with the Firm's Audit Group. He performs audits, reviews, and compilations for non-profit organizations (including previous experience with the American Library Association) and privately owned for-profit companies. Prior to joining Mueller, he worked as an Accounting Consultant in the medical supply distribution arena.

Since joining Mueller, he has garnered audit experience in the manufacturing, distribution, professional service, and technology industries. As a member of the Risk & Controls team at Mueller, he also performs Service Organization Control (SOC) examinations.

Kyle is a very positive, hardworking, and energetic professional who grew up in Naperville. His favorite part of the job is not only getting to know the companies he works with inside and out, but developing great relationships with the clients themselves and getting to know them personally.

He is currently studying for the CPA examination and will be sitting for the exam in the near future.

**Education**

B.A., Accounting, University of Illinois, Urbana-Champaign, 2014

**Professional Civic Organizations**

American Institute of Certified Public Accountants (AICPA) Member

Boys and Girls Club, Volunteer

Food for a Greater Elgin, Volunteer



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## Tax Quality Control Best Practices

### **Approach, Technology and Review**

The tax engagements would begin with a planning meeting held prior to year-end whereby the Mueller Tax Engagement team will discuss previous tax filings with Management and co-ordinate a plan to organize the gathering of specific data that will be required on the returns. Mueller will provide excel worksheets and instruction to Management and staff and will facilitate discussion about the information required. Alternatively, the Association can continue use of any existing tax organizer worksheets. Any issues identified would be discussed with Management and the Finance and Audit Committee by the Mueller Engagement Partner at this time.

Once a trial balance and a draft of the audit is available, Mueller will work with Management to identify proper groupings of the accounts for purposes of the Form 990. These groupings are programmed into our audit software to ensure consistency from year to year and enhanced documentation. The Mueller Tax team will work closely with the Audit Team to be sure that information collected is consistent and complete with the audit. This information, along with data collected from the worksheets and interviews is processed by Mueller using the tax preparation software from CCH, ProSystem fx Tax. The tax returns will then be reviewed at two levels within Mueller which includes Tax Director and Engagement Partner.

Mueller will facilitate discussions and presentations of the tax return drafts with both Management and the Finance and Audit Committee as appropriate. Upon approval, Mueller will submit the Federal Form 990 to the Internal Revenue Service electronically and provide the association with a filing copy of the state returns which are not eligible for electronic filing. Copies of all returns, including a public disclosure copy, will be provided to the Association in both printed and electronic format.

### **How & Why the Mueller approach is different**

The information reported on the Form 990 is very specific to each organization and goes far beyond the numbers reported in the standard audit. For that reason, it requires extensive input from the organization. Mueller does not simply pass input sheets to its clients, but provides direction, leadership and insight in this process. We strive to help Management understand the information required, assist in gathering and reviewing the information and provide the technical tax research and support to the Association.



### **International Tax**

International tax challenges are among the most complex and costly issues facing companies including exempt organizations. The increasing complexity of international tax laws and regulations makes international tax compliance, consulting, and structuring a critical element of any organization's international business strategy.

Mueller can provide greater value to your company with our resources and service in the international tax arena. Our professionals have experience working with complex international tax concepts across a broad range of industries.

### **State and Local Tax**

We have on staff a State and Local Tax (SALT) expert who can help assess nexus and assist in minimizing tax liabilities for entities operating in multiple states.



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## The Audit Approach and Timeline

Mueller employs a risk-based audit approach. This framework provides a “top-down” focus. We meet with you to discuss our understanding of the critical audit areas and develop a mutually agreed-upon timeline and audit plan to ensure that key financial reporting risks are addressed. The engagement team, in conjunction with Management, will identify the specific risks within the Association.

Once the risks have been identified, the engagement team will assess the significance and likelihood of those risks and will develop an understanding of how the Association mitigates those risks. Personnel are composed of audit and tax professionals in order to ensure a complete perspective on relevant risks and issues. The result is an efficient audit that helps **you anticipate and prevent** risks and related financial statement misstatements rather than only “find and fix” errors.

### **Technology**

The audit software that we will use in the engagement is **Caseware**, a paperless electronic work program.



### Continuing Audit Timeline for Financial Statements

Work Phase	Estimated Time	Completion Date	Work Performed by Mueller	Work done by the Association
<b>Audit Plan presentation to Management and the Audit Committee (If deemed appropriate)</b>	June 2015	Day that planning meeting is held.	Mueller will facilitate a presentation to Management and the Treasurer of the Finance and Audit Committee, which will discuss expectations, timeline, and any new pronouncements, which could impact the audit.	Coordinate on-site meeting or conference call with Treasure of Finance and Audit Committee.
<b>On site planning and interim work</b>	1 week	Completion of planning will be at the end of the planning week in Mid July 2015.	<ul style="list-style-type: none"> <li>• Review and document governance, internal controls, and operation procedures.</li> <li>• Perform IT documentation on systems.</li> <li>• Review prior year financial statements and discuss any recommended changes to current year statements with Management (including impact on new accounting pronouncements).</li> <li>• A-133 Single audit planning and preliminary testing of internal controls and compliance for major programs.</li> <li>• Review of minutes.</li> <li>• Preliminary analytics.</li> <li>• Coordination of confirmations.</li> <li>• Agree to deliverables' timetable.</li> <li>• Review significant contracts and agreements.</li> </ul>	<ul style="list-style-type: none"> <li>• Schedule meeting times with The Association personnel to document internal controls (entity and activity level) and IT systems.</li> <li>• Have minutes available for review.</li> <li>• Access to interim financial statements as of June 30, 2015. (or most current available - with actual to actual and budget to actual comparison).</li> <li>• Coordination of confirmations.</li> <li>• Copies of all Federal Contracts on SEFA.</li> <li>• Copies of significant contracts and agreements.</li> <li>• Copies of permanent file information.</li> <li>• Electronic file of Journal entries posted through June 30, 2015.</li> </ul>



Work Phase	Estimated Time	Completion Date	Work Performed by Mueller	Work done by The Association
<b>Final fieldwork</b>	3-4 weeks	Final fieldwork will be completed at the end of 3-4 weeks of on-site fieldwork (November 2015).	<ul style="list-style-type: none"> <li>• Complete our detailed audited procedures for items listed in prepared by client (“PBC”) listing.</li> <li>• Complete testing of internal controls and compliance for A-133 Single audit.</li> <li>• Review draft report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.</li> <li>• Review draft of financial statements.</li> <li>• Review draft of internal control letter.</li> <li>• Review draft of required communication (SAS 114).</li> <li>• Weekly status update meetings with Management.</li> </ul>	<ul style="list-style-type: none"> <li>• Have all workpapers listed on the prepared by client (PBC) listing available on the first day of fieldwork.</li> <li>• Have prepared the first draft of the financial statements by the end of the 1<sup>st</sup> week of fieldwork.</li> </ul>
<b>Draft of financial statements</b>		December 15, 2015.	<ul style="list-style-type: none"> <li>• Review revised draft of financial statements, internal control letter, and required communications.</li> </ul>	Will need signed representation letter.
<b>Presentation to Finance and Audit Committee</b>	1 day	Late January 2016.	Mueller will discuss required communication and review audited financial statements.	Board meeting as scheduled.
<b>Final audit report</b>		Within 10 days acceptance of draft.	We will deliver final bound copies of reports and letter to your office.	
<b>Review of Tax Returns</b>			Form 990 and AG 990-IL.	To be determined with Management.
<b>Ongoing</b>			Conduct meetings with Management to discuss current state of the Association along with new business, accounting, and tax developments.	



## The Proposal Fee

Just as commitment drives your organization, we are confident that our superior, proactive services will strengthen your organization. Our goal is to provide you with the highest possible quality of work while minimizing the fees we charge for our time.

Our fees will be billed via invoices and the fee is due and payable upon presentation. We make every effort to conduct our work efficiently utilizing the appropriate experience level for the work involved. In subsequent years, our fees will not increase by more than 3-4%. In addition, we will bill for our direct expenses.

Based on our estimate of the time required to complete the services described previously, our fees are expected to be as follows and not to exceed:

Services	Fees		
	2015	2016	2017
Consolidated financial statements of the Association, Margaret Edwards Trust, and the ALA-APA.	\$64,700	\$67,000	\$69,300
Compliance audit of two programs in accordance with OMB Circular A-133*.	\$10,200	\$10,600	\$11,000
Review of the Form 990 and AG 990-IL .	\$3,400	\$3,500	\$3,600
<b>Totals</b>	<b>\$78,300</b>	<b>\$81,100</b>	<b>\$83,900</b>

\*This quote is based upon auditing two major programs. If there are more or less programs to be audited this amount would be increased/decreased by \$4,000.

This estimate could change based upon the issuance of new accounting pronouncements or tax standards, significant new activities within the Association and the Associations' preparedness for the audit.



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## Conclusion

In conclusion, it has been a pleasure working with the American Library Association the past three years and we look forward to the opportunity of continuing to provide services which exceed your expectations for the next three years.

*John Fedus*

John Fedus, CPA  
Partner  
MUELLER

*Jeff Delheimer*

Jeff Delheimer, CPA  
Partner  
MUELLER





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## Appendix A: Peer Review Report



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### System Review Report

November 16, 2011

To the Partners of Mueller & Co., LLP  
and the Illinois Peer Review Report Acceptance Committee of the Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of Mueller & Co., LLP in effect for the year ended September 30, 2011. 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 of the Illinois CPA Society. 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* and audits of employee benefit plans. In our opinion, the system of quality control for the accounting and auditing practice of Mueller & Co., LLP in effect for the year ended September 30, 2011, 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*. Mueller & Co., LLP has received a peer review rating of *pass*.

**UHY** LLP

UHY LLP  
St. Louis, Missouri

UHY LLP is an independent member of UHY International Limited



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## Appendix B: Specialty Services

Mueller is a full-service accounting, assurance, tax, and business advisory firm. Although the primary focus of this proposal is audit and tax services for the Association, we wanted to let you know about the diverse range of talented business professionals that are available to the Association and its employees.

### **Accounting Services**

Our Accounting Services Department is available to help with many of your bookkeeping needs including QuickBooks® and other software support, payroll and sales tax compliance, and general bookkeeping services.

### **Strategic Advisory Services**

Our Strategic Advisory Team's express purpose is to go beyond the standard preparation of financial records and statements. They are solely dedicated to providing clients with strategic and operational planning, and dynamic cash flow forecasts.

### **Valuation Services**

Mueller's Valuation Group values closely held companies for a variety of reasons including estate and gift tax, shareholder/venture partner disputes, and purchase price allocation studies. They serve as expert witnesses for business and personal litigation and provide merger and acquisition services to our clients.

### **Fraud and Forensics**

Nearly half of all businesses experience fraud at some point and with our current economic crisis this number is expected to grow. The losses experienced can be devastating to a company.

Our Fraud and Forensic Group utilizes accounting skills to investigate fraud or embezzlement and to analyze financial information for use in legal proceedings. Our professionals can help you understand trends in occupational fraud, provide risk assessments, valuations, contract disputes advisory service, and help you create internal control strategies as part of a comprehensive asset protection program



### **Business and Personal Financial Planning Services**

Mueller Financial Services, Inc., an entity of Mueller, provides financial planning expertise and guidance in a variety of areas. Our Advisors have experience as qualified estate and benefit plan specialists, and can offer advice and guidance to further your Entity and its Principals.

As a client of Mueller, you have access to any of these services at any time. Provided on the following pages are the Curricula Vitae for a key member from each of the service departments.

MAUREEN A. CHOVANCEK

*Supervisor*



**Experience**

Maureen has 30 years of experience working with clients in a variety of industries, such as manufacturing and construction, reviewing general ledgers, adjusting journal entries, and preparing financial statements. She is a Quickbooks® Certified ProAdvisor. She has been responsible for setting up and maintaining QuickBooks® accounting records for clients, job-costing, processing accounts payable, accounts receivable, and bank reconciliations; in addition, she is adept at preparing and reviewing both individual and complex corporate tax returns.

**Education**

A.S. in Science, Elgin Community College, Elgin, 1977

**MATTHEW J. CIANCIARULO**

CPA

*Consultant***Experience**

Matt is a team member Mueller's Strategic Advisory Services (SAS) Group. This is a specialized division of Mueller that provides proactive financial and management advisory services.

Matt oversees the management advisory services of SAS, which partners with organizations to install a proactive culture centered on achieving ongoing growth and sustainability. Matt spearheads Mueller's Management Development Academy and works with Organizations to create and implement short and long term business plans. He is also involved in the development of dynamic forecasting and budgeting tools designed to provide "what if" analysis to a multitude of scenarios to facilitate management goal setting and tracking. He has nine years of experience in public accounting in the construction, technology, grocery, manufacturing and distribution industries.

**Core Philosophy**

The SAS Group's core process is centralized around six core functions of management. The relationship of these functions is represented by the "Tree of Success". The most successful organizations are the ones that have mastered all the functions of management enabling them to achieve their full potential for achieving ongoing growth and sustainability.

**Assignments**

Matt has performed financial, organizational planning and management development assignments with Blue Goose Supermarket, Johnson & Quin, Tech Weld, Custom Aluminum, Quality Building Supply, Odom Construction, Sherman Mechanical.

**Areas of Focus**

While SAS provides a full array of financial and management consulting services, Matt focuses on:

- Management Development Academy
  - CEO Development Program
  - Various management programs designed to provide fundamentals of management to every employee, with more advanced stages for managers and executives.
- Succession Planning
- Strategic Planning
- Operational Planning
- Financial Analysis
  - Forecasting & Budgeting
  - Financial Benchmarking

**Education**

Matt is a graduate of Purdue University and is a Licensed Certified Public Accountant.

**ROBERT E. CRONIN**  
ASA, CDBV, CMC

*Director*



**Experience**

Bob has more than 20 years' experience providing Valuation Services in various industries (e.g., financial services, consumer products, hi-tech (telecommunications), healthcare, life sciences, pharmaceutical, industrial manufacturing, distribution and professional services) while serving as Managing Director, Partner, Principal, Vice President, and Senior Manager for some of the nation's leading valuation firms.

Bob has deep insight into valuation methodologies, econometrics, financial analysis and financial economics. As Director in Charge of the Firm's Business Valuation Group, he focuses on providing strategic and tactical advice regarding Valuation Services in the following areas:

- Mergers and Acquisitions
- Sell-side/Buy-side Advisory
- Strategic Planning
- Pro Forma Financial Information
- Estate/Gift Taxes
- Deal Structuring
- Intellectual Property Valuations
- Financial Reporting
- Tax Planning and Reporting
- Shareholder Value Creation
- Profit and Valuation Assessments
- Capital Raising

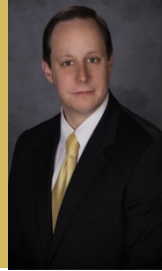
**Education**

Master of Business Administration - University of Colorado (Concentration: Finance)  
Bachelor of Arts - Colorado State University, Major: Behavioral Science  
Accredited Senior Appraiser (ASA) in Business Valuation, American Society of Appraisers  
Certification in Distressed Business Valuation (CDBV), Association of Insolvency & Reorganization Advisors  
Certified Management Consultant (CMC), Institute of Management Consultants

**Professional and Civic Organizations**

American Society of Appraisers  
Association for Corporate Growth  
Association of Insolvency and Reorganization Advisors  
Business Valuation Association  
Executives' Club of Chicago  
Institute of Management Consultants  
Turnaround Management Association  
Midwest Aikido Center, Board of Directors and Treasurer

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**MICHAEL J. MANNING, CISA***Director***Experience**

Mike is an Audit Director in Mueller's Risk and Controls Services Group. He has over 13 years of experience in auditing and IT consulting for public and private companies in the technology, professional services, chemical, manufacturing, distribution, and Not-For-Profit industries. In this capacity he provides the following services:

**Service Organizational Controls Examinations**

- SOC Report 1
- SOC Report 2

**Enterprise Risk Management**

- IT Risk and Security Assessment
- Fraud Risk and Prevention
- Regulatory and Compliance

**Forensic Services**

- Investigations
- Expert Witness
- Post-Acquisition Dispute Advisory

**Business Process and Controls**

- SOC Readiness Consulting
- Internal Control Consulting

**Internal Audit Services**

- Co-sourcing
- Outsourcing
- Consulting

**Business Intelligence**

- Data Mining and Analysis
- Data Conversion and Integration
- Dynamic Reporting

Prior to joining Mueller in 2013, Mike operated his own Accounting and Consultancy firm, held client service positions within the audit and advisory business units within Big 4 accounting firms, and worked in an internal audit department of a multinational Fortune 1000 company. His experience included white collar and complex financial crime investigation, accounting irregularity and financial statement defalcation investigation, post-acquisition dispute advisory, SAS 70 engagements, and financial statement audits.

Mike is a frequent lecturer and has provided continued education seminars on Forensic Accounting and Service Organizational Controls (SOC) to accounting industry professionals, local business groups, and Not-For-Profits. He also has been a guest lecturer at the University level providing presentations on Fraud and Forensic Accounting methodology, and has presented to the Illinois CPA Society on Forensic Data Analysis.

**Education**

B.S., Accounting, Northern Illinois University  
Certified Information Systems Auditor (CISA)

**Professional and Civic Organizations**

American Institute of Certified Public Accountants (AICPA)  
Institute of Internal Auditors (IIA)  
Information Security and Control Association (ISACA)  
Small Business Advocacy Council

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**CURTIS R. WIEDEMAN**  
CLU®, ChFC®  
*Financial Advisor*



### **Experience**

Curtis has over 28 years of experience in the financial services industry. He specializes in offering customized retirement, asset protection, and estate planning solutions to small and mid-size business owners and self-employed individuals. Curtis built two successful financial service agencies before joining Mueller heading up the Asset Protection division of Mueller Financial Services, Inc. Curtis' depth and range of services is appreciated by his clients who value his individual attention and the innovative approach he uses to finding solutions that are uniquely crafted to their situation. When asked what he enjoyed most about his work Curtis replied, "It is the knowledge that my clients are protected financially against life's tragedies which allows them to enjoy a secure retirement.

### **Education**

B.S., Accounting & Finance, Fort Hays State University  
Chartered Life Underwriter® (CLU)  
Chartered Financial Consultant® (ChFC)  
Registered Representative with 1st Global Capital Corp.  
Series 7 licensed  
Series 63 licensed  
Licensed to sell Life, Accident, and Health insurance  
Licensed Variable Life contracts

### **Professional and Civic Organizations**

Southern Minnesota Chapter of Financial Services Professionals, *Past President*  
Elgin Breakfast Rotary Club, *President*  
The Financial Planning Association (FPA)  
International Association of Advisors in Philanthropy, Member

Securities offered through 1st Global Capital Corp. Member FINRA/SIPC. Investment Advisory Services including fee based asset management accounts held through NFS, LLC are offered through 1st Global Advisors, Inc. All other financial planning services are offered through Mueller Financial Services, Inc. Mueller Financial Services, Inc. and 1st Global Capital Corp. are unaffiliated entities.