

ORDINANCE NO. 00-24

**AN ORDINANCE APPROVING ENGAGEMENT OF
SIKICH GARDNER & CO. FOR AUDITING SERVICES**

**ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF CHATHAM, ILLINOIS
THIS 25th DAY OF APRIL 2000**

Published in pamphlet form by the authority of the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois, this 25th Day of April, 2000.

**AN ORDINANCE APPROVING ENGAGEMENT OF
SIKICH GARDNER & CO. FOR AUDITING SERVICES**

*BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF
CHATHAM SANGAMON COUNTY ILLINOIS, AS FOLLOWS.*

SECTION 1: The proposal made by Sikich, Gardner & Co. to perform auditing services for the Village of Chatham at a not to exceed price of \$14,500, attached hereto as Exhibit A, is hereby approved.

SECTION 2: The Village President is hereby authorized to engage Sikich, Gardner & Co. in accordance with the attached proposal and the proper officers of the Village shall carry out the terms of the engagement.

SECTION 3: This Ordinance is effective immediately.

PASSED the 25th day of April, 2000.

Linda Koester, President
Village of Chatham

ATTEST:

Robert A. Krueger, Clerk

AYES: _____ PASSED: _____

NAYS: _____ APPROVED: _____

ABSENT: _____

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 00-___ adopted by the President and Board of Trustees of said Village on the 25TH day of April, 2000, said Ordinance being entitled:

**AN ORDINANCE APPROVING ENGAGEMENT OF
SHUCH GARDNER & CO, FOR AUDITING SERVICES**

(57)

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

ON WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 25th day April, 2000.

" EXHIBIT A "

MEMBERS OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
ILLINOIS CPA SOCIETY

A MEMBER OF SIKICH GROUP, LLC

SIKICH GARDNER & CO, LLP
CONSULTANTS & ACCOUNTANTS

April 4, 2000

To the Board of Trustees
Village of Chatham
117 E. Mulberry
Chatham, Illinois 62629

We are pleased to confirm our understanding of the services we are to provide for the Village of Chatham for the year ended April 30, 2000. We will audit the general purpose financial statements of the Village of Chatham as of and for the year ended April 30, 2000. Tabulations of statistical data including charts and graphs that may be included with the general purpose financial statements will not be audited by us and we will disclaim an opinion on such information. We will also prepare the Annual Financial Report to the Comptroller which will not be subject to the auditing procedures applied in our audit of the general purpose financial statements.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether the general purpose financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the general purpose financial statements taken as a whole. Our audit will be conducted in accordance with generally accepted auditing standards and will include tests of the accounting records of the Village of Chatham and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the general purpose financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required by our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatement may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the general purpose financial statements or to major programs. However, we will inform you of any material errors and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later period for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Identifying and ensuring that the Village of Chatham complies with laws, regulations, contracts and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we will perform tests of the Village of Chatham's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Procedures – Internal Controls

In planning and performing our audit for the year ended April 30, 2000, we will consider the internal controls sufficient to plan the audit in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing our opinion on the Village of Chatham's general purpose financial statements.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the Board of Trustees of any matters involving internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any invoices selected by us for testing.

We will begin our audit on approximately June 19, 2000.

Our fees for these services including travel and other out-of-pocket costs such as typing and reproduction costs will be \$14,500. Our invoices for these services will be rendered periodically as work progresses and are payable within 60 days. The above fees are based on anticipated cooperation from the Village's personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. In accordance with our firm policies, work may be suspended if your account becomes sixty days or more overdue and may not be resumed until your account has been paid in full.

We appreciate the opportunity to be of service to the Village of Chatham and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Sikich Gardner & Co, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Village of Chatham.

By: _____

Title: _____

Date: _____