

Ordinance No. 01- 23

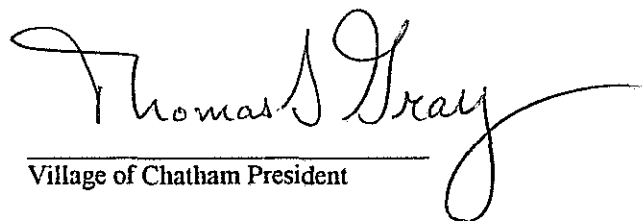
**AN ORDINANCE APPROVING ENGAGEMENT OF
SIKICH GARDNER & CO. FOR AUDITING SERVICES**

SECTION 1: The proposal made by Sikich, Gardner & Co. to perform auditing services for the Village of Chatham at a price of \$14,950, 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.

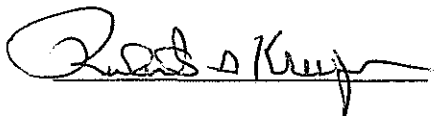
SECTION 3: This Ordinance is effective immediately.

PASSED the 24th day of April, 2001.



Village of Chatham President

ATTEST:



Village of Chatham Clerk

AYES: 6

PASSED: 4-24-01

NAYS: 0

APPROVED: 4-24-01

ABSENT: 0



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. 01-__ adopted by the President and Board of Trustees of said Village on the 24th day of April, 2001, said Ordinance being entitled:

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

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 24th day April 2001.

EXHIBIT A

VILLAGE OF CHATHAM, ILLINOIS

PROPOSAL FOR AUDIT SERVICES


For the Fiscal Year Ending April 30, 2001

Sikich Gardner & Co, LLP
Consultants and Accountants
1000 Churchill Road
Springfield, Illinois 62702
(217) 793-3363
March 8, 2001

Contact: *Mike Noonan and Chad Lucas*

TABLE OF CONTENTS

	<u>Page</u>
<u>TECHNICAL PROPOSAL</u>	
Title Page	1
Table of Contents.....	2
Transmittal Letter	3
<u>DETAILED PROPOSAL</u>	
Statement of Independence, License to Practice in Illinois, Springfield Office	6
Firm Qualifications and Experience	
Partner, Manager and Staff Qualifications	7
Similar Engagements with Other Government Entities	11
Specific Audit Approach	12
Identification of Anticipated Potential Audit Problems	13
Detailed Resumes.....	14
Sikich Gardner & Co., LLP Audit Fees.....	18
Quality Control Review Opinion	19

A large, stylized logo consisting of a large 'S' and 'G' intertwined. The 'S' is on the left and the 'G' is on the right, both in a bold, blocky font. The 'S' has a small '7' inside it. The 'G' has a small '1' inside it. The logo is positioned to the left of the company name.

A MEMBER OF SIKICH GROUP, LLC

SIKICH GARDNER & CO, LLP
CONSULTANTS & ACCOUNTANTS

March 8, 2001

Ms. Sherry K. Dierking, Treasurer
Village of Chatham
117 E. Mulberry
Chatham, Illinois 62629

Sikich Gardner & Co, LLP is pleased to be considered for the appointment as independent auditors and consultants for the Village of Chatham. We have a particular interest in providing these services to the Village as we are nationally recognized for our expertise in the state and local government accounting, auditing and financial reporting industry. In addition, we have provided auditing and accounting services for the Village since 1997.

We recognize that it can be a difficult task to effectively compare the qualifications of the various firms that may submit proposals. However, we believe that our qualifications exceed the special requirements required by the Village and are clearly distinguishable as we indicate in our proposal on the following pages. We must stress that the quality of our services, the depth of our audit procedures and the technical support and the information that we can provide to the Village more than justifies any increased cost. We believe that this proposal demonstrates our capabilities to serve not only as independent auditors, but also as valued advisors and consultants to the Village, the Village President, the Board of Trustees, the Administration Committee, and management.

The firm of Sikich Gardner & Co, LLP was formed in 1982 to do business in Illinois, but traces its foundation to a predecessor firm founded in 1928. Today we have three offices located in Aurora, DeKalb and Springfield, Illinois. We currently have over eighty professional staff members with approximately seventy percent in the audit department and the remainder working in our tax or management advisory service groups. All of our professional staff are Certified Public Accountants or are preparing for the exam. Included throughout our professional staff are numerous honors graduates along with several who were awarded honors for their achievements on the CPA examination. The firm employs over 120 personnel.

Our technical expertise in the state and local government industry has enabled our Firm to assist several of our clients in receiving the coveted GFOA Certificate of Achievement for Excellence in Financial Reporting. Moreover, the team leader of our government practice is Frederick G. Lantz, CPA, Director of Government Services. Mr. Lantz is a nationally recognized expert in the state and local government accounting, auditing and financial reporting industry. Prior to joining our Firm, Mr. Lantz was the Assistant Director of Technical Services at GFOA where he was responsible for managing the day to day operations of the Certificate of Achievement for Excellence in Financial Reporting Program, developing the criteria used to evaluate state and local government financial reports, and assisting over 2,000 governmental entities in receiving the Certificate of Achievement. Our Firm's expertise will enable the Village to correctly implement new statements and interpretations issued by the Governmental Accounting Standards Board as well as improve the Village's financial reporting techniques.

The Firm has been a member of the SEC Practice Section (SECPS) and the Private Companies Practice Section (PCPS) of the Division for CPA Firms of the AICPA since 1982. As such, we have submitted our audit and accounting practice to quality control reviews of our compliance with professional standards as established by the American Institute of Certified Public Accountants. We met these standards and have received unqualified opinions on each of our four reviews since joining the divisions. Attached to this proposal is a copy of the unqualified report from our most recent review which was completed in May 1999. We believe participation in quality review programs should be carefully considered when evaluating an accounting firm submitting proposals. Quality control is important to us.

We provide audit, accounting and management advisory services to clients throughout the State of Illinois. In addition to our governmental clients, a wide range of industries are presently served including manufacturers, not-for-profit organizations, financial institutions, hospitals and clinics, construction contractors, and state departments and agencies. We also provide tax research, return preparation, and tax planning services to the above organizations plus many individual taxpayers.

Our management advisory services are available when the need for such assistance arises. Our consulting engagements are directed by partners and other professionals who have experience in management consulting and in the specific areas we are requested to review. Our governmental clients often require services in special areas such as budget development, trend monitoring and forecasting, bond issuances and refundings, operations management, cash management, human resources, employee benefits, and information technology. We have a proven track record of assisting our governmental clients in these as well as other specialized areas.

Our general philosophy regarding audit engagements is to provide the audit client with the most efficient and competent services available toward accomplishing the objective of expressing an opinion on their financial statements. Another objective, as important to us as the rendering of this opinion, is a sensitivity to the needs and objectives of the audit client, including quality and consistency of staffing for multi-year engagements. Therefore, our audit team approach is tailored to each client's specific needs with a view towards identifying opportunities for improved financial or procedural performance. Audit procedures are designed to give full attention to the evaluation of significant areas as well as to areas that present the greatest audit risk.

We understand the scope of our work to include expression of an opinion on the Village's general purpose financial statements with "in-relation-to" coverage on its combining, individual fund, and account group financial statements. The audit will be performed in accordance with generally accepted auditing standards. We understand the timing requirements for Village and the filing of the Comptroller's Comprehensive Annual Supplemental Report and are committed to performing the specified services within the stipulated timing requirements.

We appreciate the opportunity to present this proposal, which is a firm and irrevocable offer for sixty (60) days, and look forward to the possibility of serving the Village. In addition, we are available to meet with members of management from the Village to discuss our proposal and the high quality services that we can provide.

Sincerely,

SIKICH GARDNER & CO, LLP

Handwritten signature of Gary D. Neubauer in cursive script, reading "Gary D. Neubauer & Co, LLP".

Gary D. Neubauer, CPA
Partner

STATEMENT OF INDEPENDENCE

Sikich Gardner & Co, LLP has evaluated its independence from the Village of Chatham in accordance with the second general standard for performing government audits as defined by the U.S. General Accounting Office's *Government Auditing Standards* and the AICPA Code of Professional Conduct. Based upon our evaluation, Sikich Gardner & Co, LLP is free of any personal and external impairments to independence from the Village of Chatham both in fact and in appearance to any knowledgeable third party.

LICENSE TO PRACTICE IN ILLINOIS

The Firm of Sikich Gardner & Co, LLP is a licensed Public Accountant Limited Liability Partnership in Illinois (license #066-003584). All key staff to be assigned to the engagement are licensed Certified Public Accountants (CPAs) in Illinois.

SPRINGFIELD OFFICE

This engagement will be staffed primarily from our Springfield office, which currently employs approximately 50 people. It is anticipated that 5 people will be directly involved in this engagement including 2 partners, 1 manager, 1 supervisor and 1 staff.

The Springfield office performs services including auditing, tax preparation and planning, accounting services, technology consulting and training, management advisory services, and employee benefit plan services.

ACTIVITIES PERFORMED BY OTHER OFFICES

Sikich Gardner & Co, LLP is a member of Sikich Group, LLC. Other entities that are members of Sikich Group, LLC are as follows:

T.J. Nicoud & Co. – a full-service insurance agency
Intelligent Computer Solutions – a technology consulting firm
Sikich Cozad Asset Management, LLC – an investment advisory firm

FIRM QUALIFICATIONS AND EXPERIENCE PARTNER, MANAGER AND STAFF QUALIFICATIONS

EXPERIENCE

Sikich Gardner & Co, LLP uses a team approach to servicing clients within various industries. As such, we have a state and local government industry team that specializes in providing services to this unique and challenging industry. During 2000, the local government team in our Springfield and Aurora offices conducted audits of over eighty cities, villages, towns, state agencies and other units of government, including the third largest city, two of the top five fastest growing communities, the second largest park district and third largest community college in Illinois. Many of these have been long standing clients and are evidence of our dedication to the state and local government industry and our abilities to provide high quality, timely services within this specialized industry. Moreover, in the last three years we have assisted six of our government clients in preparing and issuing their first ever comprehensive annual financial reports that were successfully submitted to GFOA for the Certificate of Achievement for Excellence in Financial Reporting. These clients and related work have enabled our Firm to develop an extensive expertise in governmental accounting, auditing and financial reporting procedures and practices.

QUALIFICATIONS AND TECHNICAL EXPERTISE

Our government industry team has twenty-five professional staff engaged in audits of governmental units and Federal Financial Assistance programs year round, including three partners and three managers. The audit would be conducted by four members of this team from our Springfield office with consultation and engagement assistance from Fred Lantz from our Aurora office.

In addition, members of this team serve on the GFOA Special Review Committee (SRC), the ASBO Panel of Reviewers (Arbitrator), the IGFOA Technical Accounting Review Committee and the ICPAS Board of Directors, Governmental Report Review, Government Accounting Executive and Government Audit Quality Committees. Moreover, members of this team have served as expert speakers to these organizations, state GFOAs and others for formal presentations at local meetings and annual conferences on a variety of governmental accounting, auditing and financial reporting topics. Finally, we have also developed governmental accounting, auditing and financial reporting training courses for various organizations with members of our Firm serving as lead instructors for the courses.

The Illinois Government Finance Officers Association sponsored an Advanced Governmental Accounting and Financial Reporting seminar in July 1993 that was developed and instructed by our staff. Furthermore, our staff assisted IGFOA in developing a new reporting model and in testifying before the Governmental Accounting Standards Board (GASB) in October 1994 on this new proposed model and continued in this capacity by testifying before GASB in November 1995. In addition, we published an article in the IGFOA *Communiqué* on the effect of GASB's three new pension pronouncements on local governments in Illinois and have instructed sessions at the Illinois CPA Society Annual Government Conference on these pronouncements. In February 1997, we served as instructors for the IGFOA Finance Officers Institute for the sessions on accounting, auditing and financial reporting for state and local governments. In March 1997 and March 1998, we served as instructors for the IGFOA Pension Institute, developing a case study for implementing the new pension guidance on local police and fire pension plans in Illinois. Finally, in 1999, we developed three levels of governmental accounting courses for the IGFOA, basic, intermediate and advanced, and served as instructors for these courses in statewide offerings and we developed and served as instructors for courses in implementing GASB Statement No. 34.

QUALITY CONTROL

Our Firm has been a member of the SEC Practice Section (SECPS) and the Private Companies Practice Section (PCPS) of the Division for CPA Firms of the AICPA since 1982. As such, we have voluntarily submitted our audit and accounting practice to quality control reviews of our compliance with professional standards as established by the AICPA and, more recently by the Government Accounting Office (GAO), for over twelve years. We have exceeded these standards and have received unqualified opinions on each of our five reviews. Attached to this proposal is the report from our most recent review dated May 1999, which included a review of specific government engagements since this accounts for a significant segment of our practice.

Our state and local government reports have been reviewed by numerous federal and state oversight bodies and professional organizations. These reports have been judged to meet and, in most instances, exceed industry standards and requirements. We have never had any disciplinary action taken nor is any pending against the Firm with any state regulatory body or professional organization.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS

If Sikich Gardner & Co, LLP is chosen to provide audit services to the Village, we would staff the engagement with professional staff from our government team in our Springfield and Aurora offices. These staff, all of whom meet or exceed the CPE requirements contained in the U.S. General Accounting Office, *Government Auditing Standards* would include:

Gary D. Neubauer, Engagement Partner - As engagement partner, Mr. Neubauer is responsible for the overall execution and completion of the engagement. Mr. Neubauer has over twenty years of experience auditing governments, including serving as engagement partner for a number of large government audits and single audits. Mr. Neubauer, a licensed certified public accountant, is a graduate of Illinois State University with a degree in Accounting.

Frederick G. Lantz, Partner, Director of Government Services - As Director of Government Services and engagement technical partner, Mr. Lantz has oversight responsibility for the overall management of the audit and will perform the concurring partner review of the Village's financial statements. Mr. Lantz, based in our Aurora office, has over eighteen years of experience in the state and local government industry, and is a nationally recognized expert in the industry. Mr. Lantz, a licensed certified public accountant, is a graduate of Northern Illinois University with a degree in Accounting.

Michael T. Noonan, Manager - Mr. Noonan will be responsible for coordinating the audit activity between the Village and the Firm. Mr. Noonan has over twenty-eight years of experience including audits of various local governments and private industries. Mr. Noonan, a licensed certified public accountant, is a graduate of St. Louis University with a degree in Accounting.

Chad A. Lucas, Supervisor - Mr. Lucas will be responsible for the day-to-day performance of the audit engagement. Mr. Lucas, has over five years of experience, including audits of the City of Springfield, City of Champaign, the Springfield Airport Authority and auditing a variety of special governmental entities. Mr. Lucas is a graduate of Illinois State University with a degree in Accounting.

* * * * *

We currently anticipate one other professional staff will be assigned to this engagement. All professional staff are full time employees of the Firm from our Springfield office and would have a minimum of one to three years of auditing experience, including local government auditing experience. Staffing our engagements with proven professionals from top to bottom enables Sikich Gardner & Co, LLP to complete the audit more efficiently by using highly skilled and trained professionals at competitive hourly rates.

In addition, all staff in the Firm that are assigned to government engagements exceed the continuing professional education (CPE) requirements contained in the U. S. General Accounting Office, *Government Auditing Standards*. Moreover, our government and non-profit staff have a specific knowledge of local government accounting and reporting requirements and their application for Illinois governments. This is achieved by attending at least forty hours per year of external courses sponsored by the AICPA, ICPAS, GFOA, IGFOA and internal courses instructed by Fred Lantz who has over ten years of experience instructing national governmental accounting, auditing and financial reporting courses for the GFOA, IGFOA, AICPA and ICPAS. This enables our firm to staff our governmental engagements with qualified professionals in the industry, providing valuable services to our governmental clients during the audit and throughout the year, as well as consistency in staffing multi-year engagements. We can assure the Village that none of the staff assigned to the engagement would need any "on the job accounting or financial reporting training" by the Village's staff. Moreover, we can assure the Village of the quality of staffing for a multi-year engagement, even if a change in personnel is required.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Following is a list of significant engagements performed last year that are similar to the engagement that we are proposing for the Village of Chatham. All of these engagements were led by Mr. Lantz or Mr. Neubauer.

Name	Approximate Number of Hours
*(**) City of Champaign	700
*(**) City of Springfield	1,000
* Logan County	600
*(**) City of DeKalb	500
*(**) City of Wheaton	700
*(**) Village of Carol Stream	400
*(**) Village of Northbrook	600
* Illinois Environmental Protection Agency	3,200
* Capital Development Board	2,500
* Springfield Airport Authority	300
Gardner Township	100
Village of Pleasant Plains	100

* Single Audits were completed for these engagements.

** These engagements are all full-scope audit opinions and the governments participate in GFOA's Certificate of Achievement for Excellence in Financial Reporting Program. In addition, the Village of Northbrook is one of the few governments in Illinois that has received a AAA bond rating (uninsured) from both Moodys and Standard and Poors. Moreover, most of these local governments have bond issues outstanding that are similar in size and complexity to the outstanding bonds of the Village of Chatham.

Several of these engagements were performed by our Aurora office. This experience is included due to the involvement by our Aurora office staff, particularly Fred Lantz, and the expertise and resources being committed to the Village of Chatham.

SPECIFIC AUDIT APPROACH

AUDIT STANDARDS AND WORK TO BE PERFORMED

The audit shall be conducted in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and, if necessary, generally accepted government auditing standards established by the U.S. General Accounting Office's *Government Auditing Standards*, the Single Audit Act Amendments of 1996 and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of Institutions of Higher Education and Other Non-Profit Institutions*. Our Firm will issue an opinion on the general purpose financial statements with "in-relation-to" coverage provided on the combining, individual fund and account group financial statements and schedules as well as any supplementary financial information. This is consistent with the audit scope coverage in the Village's most recent CAFR.

We are proposing to provide the following services to the Village:

- Audit of all funds and account groups of the Village;
- Assist the Village in the preparation of the comprehensive annual financial report (CAFR);
- Assist the Village in the preparation of the Single Audit Report, if applicable;
 - Preparation of the Village's Data Collection Form in relation to the Single Audit, if applicable;
- Preparation of the Village's Annual Financial Report to the State of Illinois Comptroller's Office;
- Preparation of the management report (letter), in which we provide suggestions for opportunities to strengthen internal controls and operating efficiency;
- Reporting to the Board of Trustees in accordance with Statement on Auditing Standards (SAS) No. 61, Communications with Audit Committees.
- Exit conference(s) with Village Trustees to present the completed audit and related materials;
- Technical assistance to the Village throughout the duration of the contract.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

The Firm's approach to resolving any problems arising during the audit is the same as its overall approach to the audit, professionalism. Professionalism in performing the audit is the corner stone to our philosophy during all phases of the audit. Any problems encountered during the audit, except for irregularities and illegal acts, will be discussed and documented with the Treasurer. The timing of this discussion will provide the Village with ample time to rectify any situations that may otherwise result in the issuance of a qualified audit opinion. Any irregularities and illegal acts detected or of which we become aware will be communicated to the Village President, the Administration Committee and the Treasurer.

The Firm's philosophy on additional fees and/or billings is based on an understanding between the Firm and the client of the scope of the work to be performed. We have bid a "not to exceed fee" for the audit, the scope and timing of which was specified by the Village in the Request for Proposal for Audit Services. The billings for the audit would not exceed this fee unless the Village specifically requests that the scope of the engagement be expanded (e.g., to provide additional accounting or auditing services) and the Village and the Firm reach a mutual agreement, in writing, as to the expanded scope of the engagement and the fee, if any, for the expanded scope. This is based on our initial understanding that the Village is not required to have a Single Audit under the guidelines of the Office of Management and Budget (OMB) Circular A-133 (as revised subsequent to passage of the Single Audit Act Amendments of 1996). Should a Single Audit under the guidelines of OMB Circular A-133 be required, we will revise our proposal, as necessary, and discuss any changes with the Administration Committee before completing the engagement.

GARY D. NEUBAUER

Mr. Neubauer is a Partner with Sikich Gardner & Co, LLP who has specialized in the governmental, not-for-profit and construction industries. He is directly responsible for services in both the audit and management consulting areas.

Mr. Neubauer is a member of the Firm's Audit Committee with primary responsibility for technical issues, quality control and continuing professional education. Mr. Neubauer performs a substantial portion of the independent partner reviews of audit, review and compilation reports issued by all three offices, including local government Single Audit and A-133 audit reports issued. In addition, Mr. Neubauer is responsible for updating and maintaining the firm's internal quality control document, performing research on technical issues and overseeing the Firm's continuing education program for professional staff.

Mr. Neubauer has had direct involvement in the following audits consisting of local governmental entities and audits performed under the "Single Audit Act of 1984" or OMB Circular A-133:

- School District No. 428, a division of the Department of Corrections (Single Audit)
- Illinois Environmental Protection Agency (Single Audit)
- Illinois Department of Professional Regulation (Agency-wide Audit)
- Capital Development Board (Single Audit)
- Illinois Department of State Police (Single Audit)
- Illinois Department of Energy and Natural Resources (Single Audit)
- City of Springfield (Single Audit)
- City of Champaign (Single Audit)
- Springfield Airport Authority (Single Audit)
- Village of Pleasant Plains
- Gardner Township
- Springfield Firemen's Pension Fund
- Various fire protection and other special districts

Mr. Neubauer graduated in 1979 with a B.S. in Accounting from Illinois State University. He is a licensed Certified Public Accountant in Illinois and a member of the American Institute of Certified Public Accountants, the Illinois CPA Society, Government Finance Officers Association (GFOA), GFOA Special Review Committee and the Illinois Government Finance Officers Association.

FREDERICK G. LANTZ

Mr. Lantz is a Partner and Director of Government Services at Sikich Gardner & Co, LLP. Mr. Lantz is responsible for providing technical services to Sikich Gardner's governmental clients in all areas of governmental accounting, auditing, financial reporting, budget development, revenue and expenditure forecasting and cash and debt management. Prior to joining Sikich Gardner, Mr. Lantz was the Assistant Director for the Technical Services Center of the Government Finance Officers Association of the United States and Canada (GFOA), where he was a nationally recognized expert in the state and local government industry. At GFOA, Mr. Lantz was responsible for:

- Managing the Certificate of Achievement for Excellence in Financial Reporting Program;
- Providing accounting, auditing and financial reporting assistance to state and local government officials and their auditors;
- Developing and serving as lead instructor for a variety of governmental accounting, auditing and financial reporting training courses;

In addition, Mr. Lantz has spoken extensively at state GFOA and CPA Society meetings and conferences on a variety of government accounting and financial reporting topics.

Mr. Lantz has a Bachelor of Science Degree in Accounting from Northern Illinois University in DeKalb, Illinois. In addition, he is a graduate of the Advanced Government Finance Institute at the University of Wisconsin-Madison. Moreover, he has completed graduate course work in public management and management information systems at DePaul University in Chicago, Illinois. He is a licensed Certified Public Accountant and a member of the American Institute of Certified Public Accountants and the Illinois CPA Society, Government Finance Officers Association (GFOA), Illinois Government Finance Officers Association (IGFOA), Illinois Municipal Treasurers Association (IMTA), Illinois City Management Association, Association of School Business Officials (ASBO), ICPAS Government Report Review (chair) and Governmental Audit Quality Committee, GFOA Special Review Committee, IGFOA Technical Accounting Review Committee, and ASBO Officials Review Panel (Chair).

MICHAEL T. NOONAN

Mr. Noonan is a Manager with Sikich Gardner & Co, LLP who has specialized in governmental, small business, income tax and construction industries. He is directly responsible for services in all phases of audit management to consulting and tax areas.

Mr. Noonan has had direct involvement in the following audits of local governmental entities and audits performed under the Single Audit Act or OMB Circular A-133:

- Village of Pleasant Plains
- Chatham Township
- Gardner Township

Mr. Noonan graduated in 1972 with a B.S. in Accounting from St. Louis University. He is a licensed Certified Public Accountant in Illinois and a member of the American Institute of Certified Public Accountants, the Illinois CPA Society and the Sangamon Valley Estate Planning Council. Mr. Noonan is also a member of Alterna-Care, Inc. Professional Advisory board and Springfield Chamber of Commerce.

CHAD A. LUCAS

Mr. Lucas is a Supervisor with Sikich Gardner & Co, LLP who has significant experience in audits for State agencies, local governments and construction companies.

Mr. Lucas has had direct involvement in the following audits consisting of local governmental entities and audits performed under the "Single Audit Act of 1984" or OMB Circular A-133:

- Illinois Department of Professional Regulation (Agency-wide Audit)
- Capital Development Board (Single Audit)
- Illinois Environmental Protection Agency (Single Audit)
- Illinois Department of Corrections – Correctional Schools
- Springfield Airport Authority (Single Audit)
- City of Springfield (Single Audit)
- City of Champaign (Single Audit)
- Gardner Township
- Capital Township
- Mechanicsburg Fire Protection District
- Sherman Fire Protection District
- Springfield South Side Fire Protection District
- Springfield South Oak Knolls Fire Protection District
- Springfield Southlawn Fire Protection District
- Logan County
- Menard County
- City of Petersburg

Through the above audits, Mr. Lucas has obtained experience in the governmental and grant audit fields and is familiar with the requirements and procedures of such audits.

Mr. Lucas graduated in 1995 with a B.S. in Accounting from Illinois State University. He is a licensed Certified Public Accountant in Illinois and a member of the American Institute of the Certified Public Accountants and the Illinois CPA Society. Mr. Lucas is also a member of the Springfield Chamber of Commerce, the Railsplitters Sertoma Club, Knights of Columbus and the Leadership Springfield Class of 1999.

SIKICH GARDNER & CO, LLP AUDIT FEES

The fee for all professional services and deliverables specified in this *Proposal For Audit Services*, including all direct and indirect costs, will not exceed \$14,950.00 for the fiscal year ending April 30, 2001.



May 20, 1999

To the Partners
Sikich Gardner & Co., LLP

We have reviewed the system of quality control for the accounting and auditing practice of Sikich Gardner & Co., LLP (the firm) in effect for the year ended December 31, 1998. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the "AICPA"). The design of the system, and compliance with it, are the responsibilities of the firm. In addition, the firm has agreed to comply with the membership requirements of the SEC Practice Section of the AICPA Division for CPA Firms (the Section). Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system and the Section's membership requirements based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Section. In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures and with the membership requirements of the Section to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it or with the membership requirements of the Section.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Sikich Gardner & Co., LLP in effect for the year ended December 31, 1998, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards. Also, in our opinion, the firm has complied with the membership requirements of the Section in all material respects.

Heinold - Banwart, Ltd.