

THE AGREEMENT WITH ARTHUR ANDERSEN LLP FOR EXTERNAL AUDIT SERVICES APPROVE TERMINATING THIS AGREEMENT TO AN AGREEMENT WITH DELOITTE & TOUCHE LLP FOR EXTERNAL AUDIT SERVICES RENDERED, AND APPROVE ENTERING INTO AN AGREEMENT WITH DELOITTE & TOUCHE LLP FOR EXTERNAL AUDIT SERVICES

...of this current agreement in the amount of \$52,844 and approve entering into an agreement with Arthur Andersen for activities to be performed by Arthur Andersen LLP for the fiscal year ending 6/30/02. The fee for these services and \$50,000 for printing and mailing of the Comprehensive Annual Financial Report (CAFR) shall not exceed \$920,000 for the fiscal year ending 6/30/02. The Board has an interest in the selection of a nationally recognized accounting firm for its external audit services. Deloitte & Touche LLP was selected as the firm to provide these services because (i) it offered the Board a competitive price for these services; (ii) key personnel from Arthur Andersen who had positions at Deloitte & Touche LLP will participate in the Board's engagement and (iii) the firm is established by the Chief Fiscal Officer and Controller. A written letter terminating the services of Arthur Andersen as of May 23, 2002 shall be issued by the law department, including the final payment for services rendered under the current agreement. The agreement shall be negotiated. No payment shall be made to Deloitte & Touche for the execution of this written agreement. The Board members shall be responsible for reviewing this agreement with the Board. The date of this Board Report. Information pertinent to this Agreement is stated below.

180 N. Stetson
Chicago, IL 60601-6779
Patrick Hanan, Regional Partner

Vendor No. A6243

USER: Office of School Financial Services
125 South Clark Street
Daryl Okrzesik, Controller
773-553-2710

...shall end three years later. This agreement shall have three options to renew for periods of one year each. The fee shall be based upon the current annual fee. Increases for the option periods will be mutually agreed upon and shall be adjusted by the Consumer Price Index, and any scope changes or unusual circumstances.

EARLY TERMINATION RIGHT: Either party shall have the right to terminate this Agreement with thirty (30) days written notice.

- SCOPE OF SERVICES: The firm shall provide an audit in accordance with the generally accepted auditing standards. The audit shall include:
- Financial Audit in accordance with generally accepted auditing standards.
 - Internal Controls that assess the accuracy of information and to ensure compliance with law and regulations.
 - Data Processing Review that reviews and compares certain calculating operations of the computer system and related databases with the financial statements and management letter and contains the findings.
 - Additional Reports: CAFR, OMB Circular A-133, Memorandum of Understanding (MOU) and GAO's Best Practices.
 - Coordinate the printing and mailing of the Comprehensive Annual Financial Report (CAFR).

Deloitte & Touche will assist with:

- Rating agency presentation
- Review of transmittal letter and supplemental schedules in CAFR
- Consulting on new accounting standards

DELIVERABLES: Deloitte & Touche will deliver the following associated with the annual audit:

- Opinion of the financial statements
- Presentation of a Budget/Actual results in the same manner as Management letter
- Review year advice on transition work plan
- Copying and providing access to new auditor of 2001 audit workpapers
- Benchmarking Analysis of Federal Revenues and preparation of presentation materials
- Audit adjustments requested after delivery of final documents to auditors
- Quality control for changes to the annual financial report and increased costs incurred by printer due to change requests
- Audit and preparation of Form 990 Tax Return for Student Science Fair, Inc.

OUTCOMES: The annual audit will result in:

Deloitte & Touche will identify and communicate the risks that might impact the financial statements.

