

NAWROCKI SMITH LLP

Page two

Nawrocki Smith, LLP agrees that all information obtained in connection with the services provided for in this Letter of Engagement is deemed confidential information. Nawrocki Smith, its employees, and agents shall not use, publish, discuss or communicate the contents of such information, directly or indirectly, with third parties, except as required under the terms of engagement or as otherwise required by law.

The District reserves the right to terminate this Agreement for any reason whatsoever upon thirty (30) days prior written notice. In the event of such termination, Nawrocki Smith will undertake no additional services for the District, and the District will remain liable for payment of all amounts due for the period through the effective date of such termination.

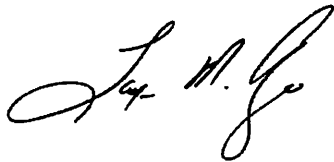
Nawrocki Smith shall provide Worker's Compensation, automobile, comprehensive general liability and professional liability (Errors and Omission) insurance. As necessary or requested, Nawrocki Smith shall provide the School District with proof of the required insurance coverage. Nawrocki Smith shall deliver insurance policies and certificates to the School District, which will provide at least a 30-day notice of cancellation or amendment. Nawrocki Smith shall maintain professional liability insurance in an amount no less than \$1,000,000, workers compensation in amounts required by law and general liability insurance (Including owned, non-owned and hired motor vehicles) in a single limit amount of no less than \$1,000,000.

Nawrocki Smith will act at all times as an independent contractor hereunder, and nothing contained herein will be construed to create a partnership or joint venture or a relationship of principal and agent or employer and employee between the School District and Nawrocki Smith.

We will be pleased to discuss this letter with you at any time. If the foregoing is in accordance with your understanding, please sign the enclosed copy and return it to us.

We appreciate the opportunity to be of professional service.

Very truly yours,
NAWROCKI SMITH LLP



By: Lauren M. Agunzo, CPA/CFF, CIA

RESPONSE:

This letter correctly sets forth the understanding of the School District.

By: _____

Title: _____

Date: _____

NAWROCKI SMITH LLP
Page three

SUPPLEMENT TO ENGAGEMENT LETTER
AGREED-UPON PROCEDURES

Risk Assessment:

1. Develop an understanding of the critical business processes of the District within each functional area
2. Identify and quantify risks based on the understanding of the business processes and stated business rules
3. Identify whether the controls that are currently in place address such risks and ascertain if they are operating effectively
4. Recommend improvements in internal controls