

VILLAGE OF PALOS PARK

AUDITING CONTRACT

This auditing contract (the "agreement") is entered into this 25th day of February, 2019, by and between the **Village of Palos Park**, County of Cook, State of Illinois, (the "Village") and **Lauterbach and Amen, LLP**, (the "Auditor".) The Village and the Auditor are sometimes referred to herein collectively as the "Parties." The Parties hereto agree as follows:

1. The Auditor shall conduct an examination of the records, accounts, and procedures of the Village for the Village's fiscal year ending April 30, 2019. The Audit should begin on or about May 1, 2019 and end no later than September 20, 2019. Permission for an extension of the time for completion may be granted for good cause by the Village's Commissioner of Accounts and Finances.
2. The Audit shall include an examination of all funds of the Village. These shall include, but not be limited to, the General Corporate Fund, the Police Pension Fund, and all Special Revenue Funds.
3. The Auditor shall review the Audit program with the Village's Finance Director, identifying the records to be audited/examined and the procedures to be followed. The Village may require that the Auditor include in the Audit additional records and procedures which are generally accepted, as defined in the standard and procedures referenced in Sections 9 and 10 below.
4. The Village shall have closed and balanced all accounts, and will provide trial balances for all funds to be examined by the Auditor.
5. The Village shall provide, for each fund, the following records for examination:
 - a) Trial Balance; and
 - b) Statement of Revenues and Expenditures, along with a comparison with the budget.
6. The Village shall supply additional financial and statistical information, not subject to examination by the Auditor, but necessary to substantially conform to the principles and standards of public financial reporting prescribed by the Governmental Accounting Standards Board.
7. The Village shall provide space at the Village Hall, deemed adequate by the Auditor, in which the Auditor may effectively conduct the Audit.
8. The Audit shall be made in accordance with the generally accepted auditing standards as adopted by the membership of the American Institute of Certified Public Accountants (AICPA) in the statement of Auditing Standards No. 1, "Codification of Auditing Standards and Procedures," as amended or replaced from time to time.
9. The Audit shall be made in accordance with the generally accepted governmental auditing procedures as prescribed by the National Committee on Governmental Accounting in Governmental Accounting, Auditing and Financial Reporting, and by the AICPA Industry Audit Guide - Audits of State and Local Governmental Units, as amended or replaced from time to time. The Audit shall conform generally to the "Guide to Reporting for Illinois Cities and Villages" published by the Illinois CPA Society, as amended or replaced from time to time.

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10. The Auditor shall complete the Illinois "Annual Municipal Supplemental Report" ("Comptroller Report"), and shall provide such statements and supplementary data as may be referenced and required in said Comptroller's report.
11. The Auditor shall observe the adequacy of the Village's system of internal control. If weaknesses are noted, appropriate recommendations should first be reviewed with the Village's Finance Director and/or the Commissioner of Accounts and Finances, and then included in a separate letter to the Village Council.
12. The Village authorizes the Auditor to disclose, immediately, all findings of fraud or embezzlement to the appropriate law enforcement agency, after notifying the appropriate Village authorities.
13. The Auditor shall prepare a letter, outlining any deficiencies found and suggestions for addresses of said deficiencies. The Auditor shall express an opinion on all funds, or shall state the reasons, in detail, for qualifications or disclaimer opinions.
14. The Auditor shall provide fifteen (15) bound copies and one (1) unbound copy of the Village's audit report, which shall be printed on regular letter size (8 1/2" x 11") paper, using both sides of the page whenever possible; plus a PDF copy of the audit report.
15. The Auditor may submit periodic progress billing as work progresses, but not more often than monthly, and not to exceed a total of 60% of the annual fee until the Audit has been completed and accepted by the Village.
16. If unusual circumstances are encountered during the course of the Audit, making it necessary for the Auditor to do additional work not anticipated at the time of the Auditor's submittal of its proposal, the Auditor shall immediately report such conditions to the Village Finance Director and Commissioner of Accounts and Finances, and both Parties may negotiate such additional compensation as appears justified.
17. The total amount the Village shall pay the Auditor, relative to the Audit, shall not exceed \$19,700 for services rendered; plus \$2,500 if a Single Audit Report is necessary.
18. Upon completion of the Audit, the Auditor shall make an oral report of the Audit results to the Village Council at a regular meeting of the Village Council, as selected by the Village's Finance Director.
19. A Management Letter shall be prepared, outlining any deficiencies found and suggestions for improvement of finances and procedures. The written report shall be delivered to the Village no later than October 18, 2019, and prior to the oral report to the Village Council.
20. The Village shall have the option, in its sole discretion, to renew this Agreement, under the same terms and conditions as set forth above, for the annual Audits covering the Village's fiscal years May 1, 2019 to April 30, 2020 (the "2020" FY); May 1, 2020 to April 30, 2021 (the "2021" FY); and May 1, 2021 to April 30, 2022 (the "2022" FY) fiscal years, subject to the cost of the Audit, exclusive of the additional cost of a Single Audit Report, if any, as set forth in Section 17 above, being increased as follows: \$20,130 for the 2020 FY; \$20,560 for the 2021 FY; and \$20,990

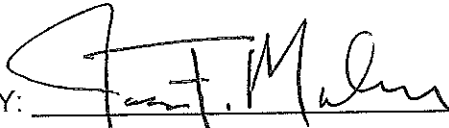
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for the 2022 FY. Notice of any such renewal shall be provided by the Village, to the Auditor, in writing, on or before March 1, 2020 as to the 2020 FY; March 1, 2021 as to the 2021 FY; and March 1, 2022 as to the 2022 FY.

21. This Agreement shall be executed simultaneously in two (2) counterparts, each of which shall be deemed an original, but both of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have hereto signed this Agreement as of 25th of February, 2019.

VILLAGE OF PALOS PARK

BY: 
John F. Mahoney, Mayor


ATTEST:


Marie Arrigoni, Village Clerk

LAUTERBACH AND AMEN, LLP

BY:  Ronald J. Amen
President / Managing Partner

ATTEST:


Secretary