

**PROFESSIONAL SERVICES AGREEMENT FOR AUDITING SERVICES**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into this 1<sup>X</sup> day of 1<sup>X</sup>, 2013, between the Village of Oak Park, Illinois, an Illinois home rule municipal corporation (hereinafter referred to as "Village"), and Sikich LLP ("hereinafter referred to as "Sikich").

**WHEREAS**, the Village has determined that it is desirable to obtain the services of an independent accounting firm to conduct auditing services as required by Section 2-6-3 of the Oak Park Village Code the Illinois Municipal Auditing Law, 65 ILCS 5/8-8-1 *et seq.*; and

**WHEREAS**, on September 20, 2013, Sikich submitted its "Proposal to Provide Professional Auditing Services" ("Proposal"), a copy of which is attached hereto and incorporated herein by reference as Exhibit A, to perform said auditing services; and

**WHEREAS**, the President and Board of Trustees of the Village have determined to have Sikich provide auditing services to the Village pursuant to its Proposal.

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

**SECTION 1. RECITALS.**

1.1. The above recitals are substantive and are incorporated herein by reference.

**SECTION 2. SIKICH'S RESPONSIBILITIES.**

2.1. Sikich shall perform a financial audit of the Village's financial statements as stated in its Proposal and its 2013 Engagement Letter, attached hereto and incorporated herein by reference as Exhibit B, for the Village's 2013, 2014 and 2015 fiscal years. Each Village fiscal year shall end on December 31<sup>st</sup>, and Sikich shall provide an engagement letter to the Village each fiscal year that this Agreement is in effect or before December 1<sup>st</sup> for the following fiscal year.

2.2. Sikich shall perform said audits in accordance with generally accepted auditing standards, the Single Audit Act as amended, Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the Office of Management and Budget of the United States ("OMB") Circular A-133 ("Audits of States, Local Governments and Non-Profit Organizations"), American Institute of Certified Public Accountants' Audits of State and Local Government audit guide and statements of the Government Accounting Standards Board.

2.3. In accordance with, and to the extent required by Section 2.2, Sikich shall perform tests of the accounting records and other such procedures as Sikich considers necessary to form an opinion as to whether the Village's financial statements are free of material misstatement and to report as to whether management has complied with applicable laws and regulations and has established and maintained an internal control structure.

2.4. In accordance with, and to the extent required by Section 2.2, Sikich will obtain an understanding of the Village's internal control structure, including the control environment, the accounting system and the control procedures.

2.5. Sikich shall issue the following reports to the extent required by Section 2.2:

2.5.1. A report on the general purpose or basic financial statements of the Village as a whole.

2.5.2. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards referenced in Section 2.2.

2.5.3. A report on compliance with requirements applicable to each major program and internal control over compliance with OMB Circular A-133 referenced in Section 2.2.

2.6. As part of its audit, Sikich shall prepare a written management letter which identifies, in its judgment, either weaknesses in the Village's internal controls or efficiency changes that could improve the Village's operations as part of the annual audit.

2.7. Sikich shall communicate in a written report any significant irregularities or illegal acts that may come to its attention.

2.8. Sikich shall be available to meet with the Village Board or Village management on a reasonable basis to answer any questions which may arise and attend Village Board meetings when requested.

2.9. Sikich shall complete its audit field work and submit a draft of the audit report on or before May 31<sup>st</sup> for each fiscal year that this Agreement is in effect. All other reports required pursuant to this Agreement shall be submitted in a timely fashion, based upon reasonable due dates to be established by the Village's Chief Financial Officer in advance of the scheduled field work.

2.10. If unqualified opinions cannot be expressed, Sikich shall bring such matter to the Village's attention before finalization of a report required pursuant to this Agreement to determine whether or not the problem(s) leading to such qualification can be resolved to Sikich's satisfaction.

2.11. If the Village elects to submit the CAFR to the Government Financial Officers Association ("GFOA") for consideration of the Certificate of Achievement for Excellence in Financial Reporting, Sikich shall meet with the Village's Chief Financial Officer early in the audit process to review the required disclosures to be included in the transmittal letter, notes to the financial statements, and the statistical section. In addition, Sikich shall review the CAFR against a certificate checklist published by the GFOA to determine whether, in Sikich's

judgment, the Village's CAFR meets the standards of reporting to be awarded such a certificate.

2.12. Sikich shall submit an annual audit engagement letter to the Village for each year that this Agreement is in effect which shall not conflict with the terms of this Agreement.

2.13. The Village reserves the right to approve or reject any Sikich personnel assigned to perform services under this Agreement.

### **SECTION 3. THE VILLAGE'S RESPONSIBILITIES.**

3.1. The Village shall provide all records necessary to perform the audit, access to Village personnel and facilities to perform the audit services described in Section 2, and prepare workpapers identified in Sikich's proposal. Sikich shall inform the Village of any additional workpaper requirements, if any, that it deems necessary to perform the audit, and the Village shall prepare such workpapers.

3.2. The Village's management is responsible for the financial statements and information contained therein. The Village's management shall be responsible to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, devise policies to prevent illegal acts and maintain internal controls that will help assure the preparation of proper financial statements in conformity with generally accepted accounting principles.

### **SECTION 4. COMPENSATION.**

4.1. Sikich's compensation for the remaining services to be provided under this Agreement shall be as follows:

- 4.1.1. For the year 2013, \$65,00.00;
- 4.1.2. For the year 2014, \$66,950.00; and
- 4.1.3. For the year 2015, \$68,959.

4.2. No other fees or compensation is contemplated by this Agreement other than those stated in this section, unless otherwise agreed to by the parties as an amendment to this Agreement.

### **SECTION 5. INSURANCE.**

5.1. Sikich shall maintain a professional liability insurance policy covering all services provided to the Village under this Agreement in the amount of one million dollars (\$1,000,000.00) during all times this Agreement is in effect. Sikich shall provide the Village with a certificate from its insurance carrier describing its professional liability coverage. Sikich shall notify the Village within fifteen (15) working days of any policy cancellation or non-renewal of the insurance required pursuant to this section.

#### **SECTION 6. AGREEMENT NOT ASSIGNABLE.**

6.1. No assignment of this agreement may be made by Sikich without the written consent of the Village.

6.2. The Village and Sikich each bind themselves and their partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

6.3. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the Village, nor shall it be construed as giving any right or benefits hereunder to anyone other than the Village and Sikich.

#### **SECTION 7. TERMINATION.**

7.1. This Agreement may be terminated at any time by either party by the submission to the other party of ninety (90) days written advance notice. Fees shall be prorated to the date of termination. The parties to this Agreement shall not be relieved of the duty to perform their obligations up to the date of termination.

#### **SECTION 8. CONFLICT BETWEEN PROPOSAL AND AGREEMENT.**

8.1. To the extent that any provision of this Agreement and any provision of Sikich's proposal, which is incorporated as part of this Agreement, conflict, the provision(s) of this Agreement shall govern.

#### **SECTION 9. NOTICES.**

9.1. Any notice required to be given by this Agreement shall be deemed sufficient if made in writing and sent to the persons and addresses indicated below or to such other addresses as either party hereto shall notify the other party of in writing pursuant to the provisions of this subsection:

##### **TO THE VILLAGE:**

Village Manager  
Village of Oak Park  
123 Madison Street  
Oak Park, Illinois 60302

##### **TO SIKICH:**

Dan Berg  
Sikich, LLP  
1415 West Diehl Road, Suite 400  
Naperville, Illinois 60563

9.2. Mailing of such notice as and when above provided shall be equivalent to personal notice and shall be deemed to have been given at the time of mailing.

#### **SECTION 10. GOVERNING LAW.**

10.1. This Agreement shall be governed by the laws of the State of Illinois.

#### **SECTION 11. SAVINGS CLAUSE.**

11.1. If any provision of this Agreement, or the application of such provision, shall be rendered or declared invalid by a court of competent jurisdiction, or by reason of its requiring any steps, actions or results, the remaining parts or portions of this Agreement shall remain in full force and effect.

#### **SECTION 12. CAPTIONS AND SECTION HEADINGS.**

12.1. Captions and section headings are for convenience only and are not a part of this Agreement and shall not be used in construing it.

#### **SECTION 13. NON-WAIVER OF RIGHTS.**

13.1. No failure of either party to exercise any power given to it hereunder or to insist upon strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.

#### **SECTION 14. ENTIRE AGREEMENT.**

14.1. This Agreement sets forth all the covenants, conditions and promises between the parties. There are no covenants, promises, agreements, conditions or understandings between the parties, either oral or written, other than those contained in this Agreement, including all exhibits.

#### **SECTION 15. TERM AND OPTION TO RENEW.**

15.1. This Agreement shall be in effect for Village fiscal years 2013, 2014 and 2015, ending on December 31st of each year, unless this Agreement is terminated pursuant to the provisions of Section 7.1. This Agreement shall immediately take effect on the effective date defined in Section 23 below.

15.2. The Village shall have the option to renew this Agreement for the fiscal years 2016 and 2017 ("Option Years"). Sikich shall be compensated in the amount of \$71,027 for the fiscal year 2016 and \$73,159 for the fiscal year. Other than said compensation, the terms of this Agreement shall be in effect for the Option Years. If the Village elects to exercise its option, it shall provide notice to Sikich pursuant to the terms of Section 9 above on or before October 1<sup>st</sup> prior to each Option Year as applicable.

#### **SECTION 16. AMENDMENTS AND MODIFICATIONS.**

16.1. The nature and the scope of services specified in this Agreement may only be modified by written amendment to this Agreement and duly authorized and signed by the authorized representative of the Village and the authorized representative of Consultant.

#### **SECTION 17. SAVINGS CLAUSE.**

17.1. If any provision of this Agreement, or the application of such provision, shall be rendered or declared invalid by a court of competent jurisdiction, or by reason of its requiring any steps, actions or results, the remaining parts or portions of this Agreement shall remain in full force and effect.

#### **SECTION 18. CAPTIONS AND SECTIONS HEADINGS.**

18.1. Captions and section headings are for convenience only and are not a part of this Agreement and shall not be used in construing it.

#### **SECTION 19. NONWAIVER OF RIGHTS.**

19.1. No failure of any party to exercise any power given to it hereunder or to insist upon strict compliance by any other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of that party's right to demand exact compliance with the terms hereof.

#### **SECTION 20. BINDING AUTHORITY AND AUTHORIZATIONS.**

20.1. The individuals executing this Agreement on behalf of the parties represent that they have the legal power, right, and actual authority to bind their respective party to the terms and conditions of this Agreement.

20.2. Sikich and the Village shall deliver upon request to each other copies of all articles of incorporation, bylaws, resolutions, ordinances or other documents which evidence their legal authority to execute this Agreement on behalf of their respective parties.

#### **SECTION 21. STANDARD OF CARE.**

21.1. Sikich shall endeavor to perform such services with the same skill and judgment which can be reasonably expected from similarly situated audit professionals.

21.2. Sikich shall be responsible for the accuracy of its professional services under this Agreement and shall promptly make revisions or corrections resulting from its errors, omissions, or negligent acts without additional compensation. The Village's acceptance of any of Sikich's professional services shall not relieve Consultant of its responsibility to subsequently correct any such errors or omissions, provided the Village notifies Sikich thereof within one year of completion of the applicable services provided by Sikich.

21.3. Sikich shall respond to the Village's notice of any errors and/or omissions within seven (7) days of written confirmation by Sikich of the Village's notice. Such confirmation may be in the form of a facsimile confirmation receipt by the Village, or by actual hand delivery of written notice by the Village to Sikich.

21.4. Sikich shall comply with all federal, state, and local statutes, regulations, rules, ordinances, judicial decisions, and administrative rulings applicable to its performance under this Agreement.

**SECTION 22. COUNTERPARTS.**

22.1. This Agreement shall be executed in counterparts, each of which shall be considered an original and together shall be one and the same Agreement.

**SECTION 23. EFFECTIVE DATE.**

23.1. The effective date of this Agreement as reflected above shall be the date that the Village Manager for the Village executes this Agreement as reflected below.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –  
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives on the day and date first written above.

SIKICH, LLP

VILLAGE OF OAK PARK

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: Cara Pavicek  
Its: Village Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST

ATTEST

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: Teresa Powell  
Its: Village Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_