May 5, 2016

The Board of Trustees
Village of Tinley Park
16250 South Oak Park Avenue
Tinley Park, Illinois 60477

Attention: David Niemeyer, Village Manager
Brad Bettenhausen, Treasurer

The Objective and Scope of the Audit of the Financial Statements
You have requested that we audit Village of Tinley Park’s (the Village) governmental activities, business-type activities, discretely presented component unit, each major fund and aggregate remaining fund information as of and for the year ended April 30, 2016, which collectively comprise the basic financial statements. We will also report on required supplementary information (RSI) and supplementary information. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

The Responsibilities of the Auditor
We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

In making our risk assessments, we consider internal control relevant to the Village’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village’s internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Board of Trustees (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).
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The funds that you have told us are maintained by the Village and that are to be included as part of our audit are substantially the same as those reported in the FY 2015 CAFR. Any changes since that date were discussed with us at our planning meeting held in May 2016.

The component unit whose financial statements you have told us are to be included as part of the Village’s basic financial statements in the Tinley Park Public Library.

**The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledges and understands that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;

2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;

3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and

4. To provide us with:
   a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
   b. Additional information that we may request from management for the purpose of the audit; and
   c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this letter; and

2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the Village complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
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Management is responsible for the preparation of the required supplementary information (RSI) and supplementary information presented in relation to the financial statements as a whole in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor’s report on the RSI and supplementary information in any document that contains the RSI and supplementary information and that indicates that the auditor has reported on such RSI and supplementary information. Management also agrees to present the RSI and supplementary information with the audited financial statements or, if the RSI and supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the RSI and supplementary information no later than the date of issuance of the RSI and supplementary information and the auditor’s report thereon.

The Board of Trustees is responsible for informing us of its views about the risks of fraud within the Village, and its knowledge of any fraud or suspected fraud affecting the Village.

The Village agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the Village agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering.

Our association with an official statement is a matter for which separate arrangements will be necessary. The Village agrees to provide us with printer’s proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the Village seeks such consent, we will be under no obligation to grant such consent or approval.

Because RSM US LLP will rely on the Village and its management and Board of Trustees to discharge the foregoing responsibilities, the Village holds harmless and releases RSM US LLP and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Village’s management that has caused, in any respect, RSM US LLP’s breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Records and Assistance
If circumstances arise relating to the condition of the Village’s records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Village’s books and records. The Village will determine that all such data, if necessary, will be so reflected. Accordingly, the Village will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Village personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Brad Bettenhausen, Treasurer. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.
If, in connection with our audit, you request us to perform accounting services necessary for the preparation of the financial statements (such as drafting the financial statements), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information
RSM US LLP may mention the Village’s name and provide a general description of the engagement in RSM US LLP’s client lists and marketing materials.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In addition, we may utilize financial information you have provided to us in connection with this engagement for purposes of creating benchmarking data to be used by RSM US LLP professionals and other clients. This benchmarking data is aggregated with data from a minimum of five other entities so that users of the data are unable to associate the data with any single entity in the database.

Fees, Costs, and Access to Workpapers
Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses.

Audit Fees

Financial Statement Audit $65,000

Compliance Audits of Tax Increment Financing Districts 6,750

Total Audit Fees $71,750 * not to exceed

* We will also assist the Village in the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective for the Village for its year ended April 30, 2016. We will discuss with management the analysis required for the adoption of this statement and determine how much of our assistance is deemed necessary. We expect that the adoption of this pronouncement will have a significant impact on the notes in the financial statements and the required supplementary section, and we will discuss the scope of any work performed or meeting related to this statement with management prior to proceeding. We estimate the fees for this implementation to be $3,000 - $4,000.

Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Village personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Billings are due upon submission.
Our professional standards require that we perform certain additional procedures, on current and
previous years' engagements, whenever a partner or professional employee leaves the firm and is
subsequently employed by or associated with a client in a key position. Accordingly, the Village agrees it
will compensate RSM US LLP for any additional costs incurred as a result of the Village's employment of
a partner or professional employee of RSM US LLP.

In the event we are requested or authorized by the Village or are required by government regulation,
subpoena or other legal process to produce our documents or our personnel as witnesses with respect to
our engagement for the Village, the Village will, so long as we are not a party to the proceeding in which
the information is sought, reimburse us for our professional time and expenses, as well as the fees and
expenses of our counsel, incurred in responding to such requests.

You have informed us that you intend to prepare a comprehensive annual financial report (CAFR) and
submit it for evaluation by the Government Finance Officers Association’s Certificate of Achievement for
Excellence in Financial Reporting. Our association with the CAFR is to consist of preparation of the
financial section. The Village is responsible for preparing the introductory section, MD&A, and statistical
section of the CAFR.

Claim Resolution
The Village and RSM US LLP agree that no claim arising out of services rendered pursuant to this
agreement shall be filed more than two years after the date of the audit report issued by RSM US LLP or
the date of this arrangement letter if no report has been issued. The Village waives any claim for punitive
damages. RSM US LLP's liability for all claims, damages and costs of the Village arising from this
engagement is limited to the amount of fees paid by the Village to RSM US LLP for the services rendered
under this arrangement letter.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or
provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

Reporting
We will issue a written report upon completion of our audit of Village's financial statements. Our report will
be addressed to the Board of Trustees of the Village. We cannot provide assurance that an unmodified
opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion,
add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on the Village's financial statements, we will also issue the following types of
reports:

- Financial and compliance reports on the Village's three TIFs – Main Street North Tax Increment
  Redevelopment Project Area Fund, Main Street South Tax Increment Redevelopment Project
  Area Fund, and Oak Park Avenue Tax Increment Redevelopment Project Area Fund – for the
  year ended April 30, 2016. The responsibility we are to take for the material included in these
  reports will be the same as that we assume for other supplementary information accompanying
  the financial statements.

- Annual State Comptroller's Financial Report for submission to the State of Illinois. The
  responsibility we will take for the report will be the same as we assume for the other
  supplementary information contained within the basic financial statements.

This letter constitutes the complete and exclusive statement of agreement between RSM US LLP and the
Village, superseding all proposals, oral or written, and all other communications with respect to the terms
of the engagement between the parties.
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Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

RSM US LLP

[Signature]

John George, CPA  
Partner

Confirmed on behalf of the Village of Tinley Park:

[Signature]

David Niemeyer, Village Manager

[Signature]

Brad Bettenhausen, Treasurer