



REQUEST FOR PROPOSALS/QUALIFICATION

Professional Auditing Services

For The Calendar Years Ending

April 30, 2024, 2025, and 2026

PROPOSALS MUST BE RECEIVED BY

4:30 p.m. on April 28, 2024

**VILLAGE OF WAUCONDA
FINANCE DEPARTMENT
101 N MAIN ST
WAUCONDA, IL 60084-1823**

VILLAGE OF WAUCONDA REQUEST FOR PROPOSALS/QUALIFICATION

I. INTRODUCTION

A. General Information

The Village of Wauconda is soliciting proposals from qualified firms of certified public accountants to audit the Village's financial statements for calendar years ending April 30, 2024, 2025, and 2026.

B. Term of Engagement

A three-year plus contract is contemplated, subject to annual review, the satisfactory negotiation of terms (including a price acceptable to both the Village of Wauconda and the selected firm), and the concurrence of the Board of Trustees and the annual availability of an appropriation. The term may be extended to encompass two additional years upon mutual agreement by the Village of Wauconda and the selected audit firm.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be performed

The Village of Wauconda desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The Village of Wauconda also desires the auditor to express an opinion on the fair presentation of its financial statements, notes, and schedules in conformity with generally accepted accounting principles. The auditor shall also be responsible for performing additional procedures involving the financial statements and required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards and/or generally accepted government auditing standards, as applicable.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue or submit the following on a timely basis:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements (SAS 115 Communication) and/or the Auditor's Communication with Those Charged with Governance letter (SAS 114 Communication).

3. Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 (Single Audit).
4. Filing the Annual Financial Report with State of Illinois Comptroller (electronic submittal and completion of Multi-Purpose Long Form).
5. Independent Auditor's Report on the Consolidated Year End Financial Report as required by the Illinois Grant Accountability and Transparency Act.
6. Report on Compliance with Public Act 85-1142 for each Tax Increment Funding District.
7. Other reports and documentation as reasonably expected to be completed pursuant to generally accepted auditing standards.

A successful candidate firm will also provide guidance on the necessary provisions to comply with certain requirements established by the Government Finance Officers Association to submit the final Annual Comprehensive Financial Report for recognition.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

B. Funds to be audited

The Village of Wauconda uses the following fund types in its financial reporting:

<u>Fund Type</u>	<u>Number of Individual Funds</u>
General Fund	1
Motor Fuel Tax Fund	1
Debt Service Fund	1
Capital Projects Fund	1
TIF District Fund	1
Enterprise Fund	1
Police Pension Custodial Fund	1
SSA Custodial Fund	1

C. Financial Reporting

The Village of Wauconda will provide individual fund statements and supporting schedules for all GASB adjustments / footnotes.

Report preparation, editing, printing, and supplies including covers, dividers, and spines shall be the responsibility of the auditor. The Letter of Transmittal,

Management's Discussion and Analysis, and necessary letterhead will be provided by the Village of Wauconda. The auditor shall reproduce up to 50 copies of the Annual Comprehensive Financial Report.

While final responsibility for the financial statements rests with the Village of Wauconda, the Village of Wauconda expects that the auditor possesses and demonstrate sufficient expertise in governmental accounting and reporting to assure that all reporting requirements are met.

Demonstration of governmental accounting expertise shall be supported by membership, either current or past, in various governmental accounting and auditing committees and task forces of the Illinois CPA Society or AICPA.

Reasonable support can also be shown by appointment to the Special Review Committee for the Governmental Finance Officer Association's Annual Comprehensive Financial Report program.

The auditor shall express an unqualified opinion on all individual funds and accept "in relation to" responsibility for supplemental data. If an unqualified opinion cannot be expressed, the auditor shall bring such matter to the attention of the Village of Wauconda before issuance of the report to determine whether the problems leading to a qualification can be resolved.

D. Management Letter

If, during the examination, the auditor finds any weaknesses in internal control, the auditor shall summarize such findings and recommendations in the form of a separate management letter to the Village of Wauconda.

The auditor shall be available to meet with elected officials at an evening meeting to answer questions regarding the proposal, the completed audit, or management letter, if requested.

The auditor in the person of a partner or manager shall be available not only during the audit preparation period, but also on an as-needed basis to answer questions or provide guidance on any issue that may arise throughout the contract period.

III. DESCRIPTION OF THE GOVERNMENT

A. Background Information

The Village of Wauconda, incorporated in 1872, is in the southeastern part of Wauconda Township on the banks of a beautiful little Lake known as Bangs Laked, named in honor of Justus and Mark Bangs. With a 2020 population estimate of 14,084, the Village serves a very diverse population base who live mostly in single family homes with a median family income of \$108,229.

The Village operates under a Trustee form of government. The Village Board is made up of the mayor and a six-member Board of Trustees. The entire Board is

responsible for policy making and is entrusted with legislative authority. The Village Administrator is responsible for carrying out the policies and ordinances approved by the Village Board, along with overseeing the day-to-day operations of the Village. Additionally, since the Village of Wauconda is a non-home rule community that operates under the Appropriations Act, the Village Board is required to adopt and file an Appropriations Ordinance each fiscal year. This Appropriations Ordinance is based upon a budget prepared and approved each fiscal year. The budget serves as the spending plan for the Village.

The mission of the Village of Wauconda is to provide a collaborative, safe, and sustainable foundation of growth and inclusion, fostering a strong quality of life for all those who live, work, and play in Wauconda. The Village’s core values include Quality of Life, Safety, Fiscal Responsibility, Inclusion, and Sustainability.

The Village provides a full range of services to its citizens, including police protection, emergency disaster management services, general governance, maintenance of village highways, streets and sidewalks, community and economic development, code enforcement, and water/sewer utility services, as well as recreational services to augment the Wauconda Park District. The Village also hosts a variety of special events including, the “Music in the Park” summer concert series and Liberty Fest (annual Fourth of July fireworks and celebration).

Additional information, including the most recent Annual Comprehensive Financial Report, can be found online at www.wauconda-il.gov.

B. Pension and Other Retiree Benefit Plans

The Village of Wauconda participates in the Illinois Municipal Retirement Fund, and has a defined benefit pension plan for the police department. The Village also offers benefits to retirees in the form of unsubsidized medical insurance as Other Post-Retirement Employee Benefits (OPEB).

C. Magnitude of Finance Operations

The Finance Department is led by Julie McManus, Director of Finance, and financial function are conducted by a total of five full time employees. The principal functions performed and the number of employees assigned to each is as follows:

Full-Time	<u>Function</u>	<u>Number of Employees</u>
	Director of Finance	1
	Assistant to the Finance Director	1
	Accounts Payable	1
	Utility Billing	1
	Cash Management	2

E. Federal and State Grants

The Village of Wauconda has at times received grants for various projects, with the possibility of exceeding the threshold for a single audit in any given year.

F. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Julie McManus at jmcmanus@wauconda-il.gov, or at (847) 526-9600. The Village of Wauconda will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this Request for Proposal.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	March 21, 2024
Due date for proposals	April 28, 2024
Board Committee Action	May 7, 2024
Board of Trustees Action	May 7, 2024

B. Notification and Contract Dates

Selected firm notified after official Board of Trustees action.

C. Date Audit May Commence

The Village of Wauconda will have all records ready for audit and all management personnel available to meet with the firm's personnel at an agreed upon schedule.

V. PROPOSAL REQUIREMENTS

A. Inquiries

Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Julie McManus, Director of Finance
Village of Wauconda
101 N Main St
Wauconda, IL 60084-1823
(847) 526-9600

jmcmanus@wauconda-il.gov

B. Submission of Proposals

The following material is required to be received by April 28, 2024 for a proposing firm to be considered:

1. Title Page
State the RFP subject.
2. Table of Contents
Clearly identify the material by section and page number.
3. Letter of Transmittal (limited to three pages)

Briefly outline and summarize the key elements of the proposal as to experience, qualifications, references, technical expertise, audit standards, understanding of the work to be performed, timing, and fee.
4. Profile of the Proposer
 - a. Describe the types of services provided.
 - b. State the location of the office and the total number of Partners and professional staff from that office.
 - c. Identify the Partners, Managers/Supervisors, and In-Charge Accountants who will perform the audit. Include resumes for each person listed detailing educational background, years of experience and client names for audits similar to the proposed examination.
 - d. Describe firm audit experience similar to the proposed examination. (Multi-office firms should discuss experience for only the office of the firm from which the personnel will be assigned.) Provide client names, contact persons and telephone numbers of all municipal / applicable local government audit clients who have been served in the last two years (at least five references shall be provided). Also, provide a recent Annual Comprehensive Financial Report prepared by your firm.
 - e. Discuss governmental industry experience in terms of years of service, training, organizational involvement, etc.
5. Audit Process
 - a. Describe your audit approach.

- b. Detail (in percentage) the amount of time to be put in on the audit by the following categories:

	<u>Percent</u>
Partner/Manager	_____
In-Charge Accountants (Seniors)	_____
Staff Accountants (Junior)	_____
Total	100%

6. Fees and Billings

- a. It is the intention of the Village to retain the same audit firm for a minimum of three years. Provide a maximum “not-to-exceed” fee proposal using the attached Audit Proposal Form.
- b. Describe the circumstances under which you would propose to increase the fee and how you would communicate such a potential increase to the Village of Wauconda.
- c. List, by Partner and staff level, hourly billing rates to be charged should the Village of Wauconda expand the scope of the audit or require additional services.

VI. SUBMISSION OF PROPOSALS

- A. All proposals should be addressed to:

Julie McManus, Director of Finance
 Village of Wauconda
 101 N Main Street
 Wauconda, IL 60084-1823

(3) Copies of the proposal are required and should be sealed in envelopes addressed to the above and clearly marked “2024 AUDIT RFP”.

- B. Proposals are due no later than 4:30 pm on April 28, 2024.

The most recent Annual Comprehensive Financial Statements of the Village of Wauconda can be found at www.wauconda-il.gov.

VII. TIMELINESS OF REPORT

The final audit must be completed, and a report received by the Village of Wauconda prior to October 27 of each year, unless the Village has caused the audit period to be longer. Failure to deliver a final report in a timely manner may result in reducing the term of the engagement.

VIII. EVALUATION OF PROPOSALS

- A. Proposals will be evaluated based on which proposer best meets the requirements of the Village of Wauconda. Critical factors will be technical expertise, the qualifications of the firm and audit team, expertise in interpreting and implementing the GASB standards, and the audit fee. Preference might be given to the audit firms maintaining local offices and staff in the Chicago Metropolitan Area within the State of Illinois.
- B. The Village of Wauconda reserves the right to interview proposing firms, if necessary.
- C. The Village of Wauconda's Board of Trustees will consider final acceptance of the proposal, under the recommendation of the Village Administrator and the Finance Director.

IX. AUDIT PROPOSAL FORM

- A. Proposals shall be quoted on the total annual cost basis for the audit and requirements as set forth within this proposal, with emphasis on requirements included in Section A. Separate fees should be stated based upon whether a single audit is needed in any given year or not. Hourly costs for additional services that may be requested beyond the scope contained herein should also be included.

Attached is a sample form that bidders should use in submitting their proposals.

**ATTACHMENT A
VILLAGE OF WAUCONDA
AUDIT PROPOSAL FORM**

Maximum charge for examination and reporting of the Village of Wauconda's Annual Comprehensive Financial Report and related reports and disclosures as specified in the Village of Wauconda Request for Proposal dated March 21, 2024.

Audit Fees

FY24 \$ _____

FY25 \$ _____

FY26 \$ _____

Additional Single Audit Fees

FY24 \$ _____

FY25 \$ _____

FY26 \$ _____

The above Audit Fees represents the annual maximum "not to exceed" fee for a series of one year engagements for a total of three years. The Additional Single Audit Fees are the additional fees the firm would charge if a Single Audit is deemed necessary. These fees should include all expenses.

Payment will be made upon receipt of progress billings with final payment made after receipt of the Annual Financial Report.

At the end of each one-year engagement through FY2026, the contract is considered automatically extended for one year unless the Village notifies the independent auditor, in writing by no later than March 1st of the calendar year to be audited, that the Village will not renew the engagement.

The Auditor and the Village agree that an equitable adjustment in the contract price may be negotiated if the cost or the time required for performance of the audit service is increased pursuant to a change in scope requested by the Village.