

**VILLAGE OF FOREST PARK, ILLINOIS**

**REQUEST FOR PROPOSALS**

**AUDIT SERVICES FOR FISCAL YEARS 2021  
THROUGH 2025**

**PROPOSALS MUST BE RECEIVED BY THE FINANCE DEPARTMENT BY 10:00 A.M.  
FRIDAY, MAY 7, 2021**

**Village of Forest Park  
517 Des Plaines Avenue  
Forest Park, IL 60130  
(708) 366-2323  
[www.forestpark.net](http://www.forestpark.net)**

## **I. INTRODUCTION**

### **A. General Information**

The Village of Forest Park is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending April 30, 2021, with the option of auditing financial statements for each of the four subsequent fiscal years.

There is no expressed or implied obligation for the Village of Forest Park to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, two hard copies and one (1) pdf electronic copy (on a USB flash drive) of the proposal must be received by the Finance Department, at 517 Des Plaines Avenue, Forest Park, IL 60130, by 10:00AM on Friday, May 7, 2021. The Village of Forest Park reserves the right to reject any or all proposals submitted. Proposals will be evaluated by the Finance Department and Village Administrator.

During the evaluation process, the Village reserves the right to request additional information or clarifications from proposers. Firms may be requested to make oral presentations as part of the final evaluation process.

The Village of Forest Park reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the engagement letter or professional services agreement between the Village of Forest Park and the firm selected.

It is anticipated the selection of a firm will be completed by May 21, 2021. Following the notification of the selected firm, a mutually acceptable engagement letter or professional services agreement will be executed between both parties following its approval by the Village Council.

### **B. Term of Engagement**

A five-year initial engagement is contemplated, subject to annual review and the satisfactory negotiation of terms (including a price acceptable to both the Village of Forest Park and the selected firm). Notwithstanding the foregoing, the Village reserves the right to terminate its engagement of the selected auditor at any time, with or without cause.

### **C. Subcontracting**

No subcontracting will be permitted.

## **II. NATURE OF SERVICES REQUIRED**

### **A. Entity**

The Village of Forest Park comprises most functions and activities of municipal operations. The Village's financial statements include all funds, departments, agencies, boards, commissions and other organizations over which the Village of Forest Park officials exercise oversight responsibility.

### **B. Scope of Work to be Performed**

The Village of Forest Park 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 Forest Park desires the auditor to express an "in relation to" opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles.

The auditor shall also be responsible for preparing the supplemental and statistical information required by the Government Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is responsible for expressing an opinion on management's assertion that the Village of Forest Park conformed to any compliance and reporting requirements of the State of Illinois for the Tax Increment Financing Districts.

The auditor is responsible for expressing an opinion on the management's assertion that the Village of Forest Park complied with the requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 (Single Audit Act) to each of its major federal programs.

The auditor is responsible for the compilation of the Illinois Comptroller's Annual Financial Report for the Village. The responsibility also includes preparation of the Annual Financial Report and electronically filing the report with the Comptroller's office.

The auditor is responsible for an "in relation to" opinion of the financial statements as a whole for the Illinois Grant Accountability and Transparency Act Consolidated Year End Financial Report.

The Police and Fire Pension Funds have their own Boards which contract separately for their audits, however they have historically used the same auditors as the Village. It is anticipated that they will continue to do so, but no guaranty can be made by the Village. Pension funds are reported in the Village's financial statement as fiduciary funds. Fees for the audits of both the Police and Fire Pension Funds should be detailed in the fee schedule on Appendix 1, and will require separate engagement letters or professional services agreements.

The Forest Park Public Library represents a discretely presented component unit. The Library statements are audited by other auditors whose report will be furnished for inclusion with the Village's Annual Financial Report. The Village auditor's opinion will be based upon the report of the Library's auditors.

The auditor shall provide to the Village all audit adjustments including appropriate backup documentation, and will meet with staff to discuss these final adjustments.

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 in a timely manner and provide guidance on any particular issue that may arise throughout the contract period.

### **C. Auditing Standards to Be Followed**

To meet the requirements of this request for proposal, the audit shall be performed in accordance with generally accepting auditing standards, the standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the Government Accountability Office's (GAO) *Government Auditing Standards* (2018), the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-I33, *Audits of States, Local Governments, and Non-Profit Organizations*. Any special compliance and reporting requirements of the State of Illinois for Tax Increment Financing Districts shall be followed.

### **D. Reports to be issued**

The auditor shall prepare the following reports including typing, reproducing and assembling, at the completion of the audit:

1. Three (3) bound copies of the Annual Financial Report. An electronic format must also be provided to the Village in PDF. The auditor will prepare all financial statements and notes to the financial statements.
2. Three (3) bound copies of the Single Audit as required. An electronic format must also be provided to the Village in PDF.
3. Three (3) bound copies and electronic files (pdf) of the reports on the compliance with provisions of 65 ILCS 5/11-74 of the Illinois Tax Increment Redevelopment Allocation Act.
4. Electronic file (pdf) of the Illinois Comptroller's Annual Financial Report for the Village of Forest Park.

## **E. Other/Miscellaneous Services**

1. The auditor shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware and present such report to the Finance Director and to the Village Administrator.
2. Prepare the Representation Letter.
3. Review and mail confirmation letters.

Failure to deliver the reports and other/miscellaneous information by the appropriate deadlines may result in a reduction of the audit fee and termination of future audit engagements.

## **F. Special Considerations**

The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on the internal controls and compliance are not to be included in the annual financial report, but are to be issued separately.

If an unqualified opinion cannot be expressed, the auditor shall bring such matter to the attention of the Village before issuance of the report to determine whether or not the problems leading to a qualification can be resolved.

The auditor will be required to inform and assist the Village in implementing future accounting pronouncements issued by the Government Accounting Standards Board that might impact the Village. Such assistance shall be included as part of the proposed fee for that year.

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

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

## **G. Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Village of Forest Park of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the Village of Forest Park.

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.

### **III. DESCRIPTION OF THE VILLAGE**

#### **A. Name and Telephone Number of Contact Person**

The auditor's principal contact with the Village of Forest Park will be the Finance Director, Finance Assistant, or a designated representative, who will coordinate the assistance to be provided by the Village to the auditor. Following are the names and telephone numbers of key Finance Department personnel:

Letitia Olmsted	Finance Director	(708) 615-6208
Danylle Stark	Finance Assistant	(708) 615-6209

#### **B. Background Information**

The Village of Forest Park, a non-home rule community as defined by the Illinois Constitution, was incorporated in 1907 and is located 10 miles west of the City of Chicago in Cook County. The Village has a land area of approximately 2.4 square miles and a population of 14,167 at the 2010 Census. The Village of Forest Park's fiscal year begins on May 1<sup>st</sup> and ends on April 30<sup>th</sup>. The Village's annual budget for the fiscal year ending April 30, 2021, totals \$37,614,517, of which \$22.1 million is for the general fund, \$6.4 million is for special revenue funds, and \$ 9.1 million is for the proprietary funds.

The Village of Forest Park is organized into 6 departments. The Village employs approximately 115 full-time and 60 part-time and seasonal employees.

More detailed information on the government and its finances can be found in the on the Village's website at: <https://www.forestpark.net/dfp/departments/finance-department/>

#### **C. Fund Structure**

The Village of Forest Park uses the following fund types and account groups in its financial reporting:

<b>Fund Type / Account Group</b>	<b>Number of Individual Funds as of April 30, 2020</b>
General	1
TIF	4
Special Revenue	7
Proprietary	1

The Village does not anticipate any fund(s) to be closed. Additional funds may be added for assets and vehicles.

#### **D. Budget**

The Village of Forest Park prepares its budget in accordance with generally accepted accounting principles. The budget is legally enacted through the passage of the Annual Appropriation Ordinance.

#### **E. Federal and State Financial Assistance**

At times, the Village is the recipient of both Federal and State grants. As required, by statute, special grant audits are to be completed by the auditors.

#### **F. Pension Plans**

The Village of Forest Park contributes to three defined-benefit pension plans; the Illinois Municipal Retirement Fund, Police Pension Fund, and Firefighters Pension Fund. The Illinois Municipal Retirement fund is an agent-multiple employer public employee retirement system. The Police and Firefighter Pension Funds are single employer defined benefit pension plans. The Village also offers employees the opportunity to participate in a 457 deferred compensation plan.

#### **G. Magnitude of Finance Operations**

The Village of Forest Park Finance Department provides the budgetary, licensing, accounting, payroll, fixed assets, utility billing, investment, accounts receivable and accounts payable functions. The accounting and financial reporting of the Village are centralized. The Department has a staff of five (5) full-time employees.

#### **H. Computer Systems**

The day-to-day transactions of the Village are conducted with the aid of a computerized governmental accounting system, Springbrook. The system is cloud based.

#### **I. Availability of Prior Audit Reports and Working Papers**

Interested proposers who wish to review prior years' audit reports and management letters should refer to the Village website. The Village of Forest Park will use its best efforts to make prior audit reports available to proposers to aid their response to this request for proposal.

#### **J. Actuary**

All actuary services are currently provided by Alliance Pension Consultants (224) 330-6132.

## **K. Long-Term Obligations**

Long-term obligations of the governmental activities at April 30, 2020 consist of the following:

**General Obligation Debt Certificates Series 2011** - issued in serial bonds due in annual installments until maturity in 2021.

**General Obligation Debt Certificates Series 2012** - issued in serial bonds due in annual installments until maturity in 2025.

**Installment Loans** - principal and interest installments paid monthly or semiannually.

Long-term obligations of the business-type activities at April 30, 2020 consist of the following:

**General Obligation Debt Certificates Series 2011** - issued in serial bonds due in annual installments until maturity in 2021.

**I.E.P.A Loan** - principal and interest installments paid semiannually until maturity in 2023.

There are no current plans for additional debt.

## **IV. TIME REQUIREMENTS**

The auditors must be able to meet the following deadlines for the fiscal year audit:

1. Detailed Audit Plan – the auditor shall provide the Village both a detailed audit plan and a list of all schedules to be prepared by the Village, as agreed upon by the Village, prior to the audit, but no later than June 15 of each year.
2. Preliminary fieldwork – preliminary work shall be completed by June 30th of each year.
3. Fieldwork - the auditor shall begin the fieldwork portion of the audit by the first week of July and complete all fieldwork within two weeks of initiation. The Village shall be notified, in advance, of the audit team to be assigned to the Village’s engagement. A conference room will be made available. This room can comfortably fit up to four people plus equipment.
4. Draft Reports – the auditor shall supply electronically the initial draft of the annual financial report, including the auditor’s report, financial statements, notes to the financial statements and recommendations to management by the date agreed upon and specified in the Detailed Audit Plan.

5. Final Reports – all financial statements and reports must be delivered to the Village in final and complete form in compliance with the time period provided by Illinois law and as determined by the Village. Final reports will be presented to the Village Council at a public meeting for acceptance.

**V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Village of Forest Park as directed by the auditor.

## **VI. PROPOSAL REQUIREMENTS**

### **A. General Requirements**

#### 1. Inquiries

Inquiries concerning the Request for Proposal shall be directed electronically to Letitia Olmsted, Finance Director [lolmsted@forestpark.net](mailto:lolmsted@forestpark.net) by April 26, 2021. The Village will prepare and send a response to all inquiries by April 30, 2021.

#### 2. Submission of Proposals

Two (2) copies of the proposal and one (1) pdf electronic copy (on a USB flash drive) are required and should be in sealed envelopes marked:

[Name of Firm]  
Professional Auditing Services  
Village of Forest Park  
[Date]

Proposals are due no later than 10:00AM on May 7, 2021, to the attention of the above.

Proposal shall be in the following format:

#### ➤ **Title Page**

Title page showing the request for proposal subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

#### ➤ **Table of Contents**

#### ➤ **Transmittal Letter that includes the points identified below:**

- A statement that the firm is authorized to conduct business in the State of Illinois.
- A brief history of the company.
- The number of the firm's employees.
- The number of years the firm has been in business in Illinois.
- The proposer understands the work to be accomplished.
- Relevant prior experience with municipal clients.
- The proposer's commitment to perform the work and to meet the stipulated timelines.
- A statement why the firm believes it to be the best qualified to perform the engagement.
- A signed statement that the proposal is a firm and irrevocable offer for ninety (90) days from the date of the proposal.

➤ **Detailed proposal that addresses the requirements identified below:**

- **Independence** - The firm should provide an affirmative statement that it is independent of the Village of Forest Park as defined by generally accepted auditing standards as set forth in the Government Accountability Office's *Government Auditing Standards*.
- **License to Practice in Illinois** - An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Illinois. The statement should also include the length of time the firm has been in business in the State of Illinois.
- **Firm Qualifications and Experience** - The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number of the professional staff to be employed in this engagement on a full- time basis and on a part-time basis. The firm is also required to submit one copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.
- **Partner, Supervisory and Staff Qualifications and Experience** - Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is licensed or registered certified to practice as a certified public accountant (CPA) in Illinois. Provide information on the government auditing experience of each person as well as their length of service with the firm. Also include information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Village of Forest Park. However, in either case, the Village of Forest Park retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

- **Quality Assurance** - Indicate how the quality of all assigned personnel and their work over the term of the engagement will be assured.
- **Similar Engagements with other Government Entities** - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal. Indicate the scope of work, date, engagement partners, total hours and the name, telephone number, and email address of the principal client contact. Specifically, identify those engagements at which the managers and other supervisors who will be assigned to the Village of Forest Park engagement have worked. Clients will be contacted for references.

- **Specific Audit Approach** - The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. Proposers will be required to provide the following information on their audit approach:
  - Proposed schedule of the audit engagement,
  - Level of staff and number of hours to be assigned to each proposed segment,
  - Sample size and the extent to which statistical sampling is to be used,
  - Extent of use of information systems (IS) or management information systems (MIS),
  - Type and extent of analytical procedures to be used,
  - Approach to be taken to gain and document an understanding of the Village of Forest Park's internal control structure,
  - Approach to be taken in determining laws and regulations that will be subject to audit work.
- **Identification of Anticipated Potential Audit Problems** - The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the Village of Forest Park.

## **VII. PRICING INFORMATION**

The proposal shall contain all pricing information relative to performing the audit engagement as described in this request for proposal on a “not to exceed” basis for the fiscal year ending April 30, 2021, along with an option for renewal for years 2022 through 2025 (Exhibit 1). The total all- inclusive not to exceed maximum price is to include all direct and indirect costs including all out-of-pocket expenses. The proposed hourly billing rates shall include all expenses. The Village shall not separately reimburse the firm for any travel, per diem, meals, photocopying, telephone bills or any other incidental expenses of the audit.

Adjustment in the contract price may be negotiated between the Auditor and the Village if the cost or the time required to perform the audit is significantly increased pursuant to a change in scope requested by the Village or required by State and/or Federal laws or policies.

### **Detail Schedule of Rates by Partner, Specialist, Supervisory and Staff Level**

Based on the all-inclusive costs identified, provide a schedule of hourly rates and number of estimated hours required by level of personnel. Firms should note that only actual hours spent on the audit may be billed to the Village.

### **Special Projects**

Provide guaranteed hourly rates for various staff levels that would be charged if the Village decided to retain certain levels of staff for specific, short-term projects to be conducted with the audits.

### **All Inclusive, Not-to-Exceed Maximum Prices for 2021-2025**

Describe how the firm would determine an increase in its hourly billing rates and/or audit fee and describe how the firm would determine an increase for the guaranteed hourly rates for special projects performed in conjunction with the audit if the Village exercises its option to retain the auditor for subsequent years. In addition, explain how increases would be communicated to the Village.

### **Authority to Contract**

Provide certification that the person submitting the cost proposal has the authority to represent the firm and sign a contract.

### **Manner of Payment**

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's proposal. Interim billings shall cover a period of not less than one calendar month.

## **VIII. EVALUATION OF PROPOSALS**

### **A. Evaluation Process**

The Village of Forest Park Finance Department and Village Administrator will evaluate proposals submitted.

### **B. Evaluation Criteria**

Proposals will be evaluated to determine that all mandatory criteria outlined in the request have been met. Considerations will include technical quality, experience and expertise of the firm, the audit approach, and the fees proposed.

### **C. Oral Presentations**

During the evaluation process oral presentations may be requested. Such presentations will provide firms with an opportunity to answer any questions on a firm's proposal. Not all firms may be asked to make such oral presentations.

### **D. Final Selection**

After the evaluation process is completed, it will be determined which firm offers the best combination of technical qualifications and cost. The Village Council will consider final acceptance of the proposal, upon the recommendation of the Village Administrator and Finance Director.

Following notification of the firm selected, it is expected an engagement letter or professional services agreement will be executed between both parties.

### **E. Terms and Conditions**

The Village of Forest Park reserves the right to reject any or all proposals or any portion thereof, that it feels is the best interest of the Village and to negotiate with any one or more of the respondents.

## **IX. OTHER INFORMATION**

The auditing firm will be expected to provide their own computers and other office equipment. The firm shall not be allowed to utilize the space provided to perform work for other clients.

The Village of Forest Park has historically had a long-term relationship with its auditors, with the preference of having at least two audit personnel returning in subsequent years.

Notwithstanding the foregoing, the Village reserves the right to terminate its engagement of the selected auditor at any time, with or without cause.

**X. PROPOSAL FEE EXHIBIT**

Exhibit 1

**FEE PROPOSAL**

A. Schedule of professional auditing services rendered based on the following not-to-exceed fees:

	2021	2022	2023	2024	2025
Annual Financial Report	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Single Audit Report	_____	_____	_____	_____	_____
TIF Compliance Annual Report	_____	_____	_____	_____	_____
Illinois Comptrollers Report	_____	_____	_____	_____	_____
Total Village	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Police Pension audit	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Firefighter Pension audit	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Exhibit 2

**Schedule of Professional Fees**

B. Schedule of professional hourly rates which may be required for additional services:

<u>Personnel</u>	<u>Rate</u>
Partners	_____
Managers	_____
Supervisors	_____
Seniors	_____
Staff	_____
Other (specify)	_____

Firm submitting proposal:

\_\_\_\_\_

Signature of Authorized Representative:

\_\_\_\_\_

Name and Title of Authorized Representative:

\_\_\_\_\_

Date:

\_\_\_\_\_