

## REQUEST FOR PROPOSAL

FOR AUDITING SERVICES FISCAL YEARS ENDING DECEMBER 31, 2017  
THROUGH DECEMBER 31, 2019 FOR THE DOWNERS GROVE PARK  
DISTRICT



Sealed proposals will be received by the Downers Grove Park District, Finance Department, Attn: Erik Brown, 2455 Warrenville Road, Downers Grove, Illinois, 60515, until 12:00 p.m., local time Wednesday, July 12, 2017.

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## A. INTRODUCTION

**General Information:** The Downers Grove Park District is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending December 31, 2017 through fiscal year ending December 31, 2019, with a mutual option for each of the subsequent three fiscal years, subject to an annual review by the Board of Commissioners. These audits are to be performed in accordance with generally accepted auditing standards.

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

**To be considered, three original and one electronic copy of the proposal must be received by 12:00 P.M. on July 12, 2017 to:**  
**Audit Proposals, Attn: Erik Brown**  
**Downers Grove Park District**  
**2455 Warrenville Road**  
**Downers Grove, Illinois, 60515**

The Downers Grove Park District reserves the right to reject any or all proposals submitted. During the evaluation process, the Park District reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. The Park District may choose to interview the top firm(s) prior to making a final decision.

The Downers Grove Park District reserves the right to retain all proposals submitted and to use any ideas in the proposals, regardless of whether the 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 contract between the Downers Grove Park District and the firm selected.

**Characterization of Audit:** The audit is intended to make an opinion on the fairness of the District's financial statements. In addition, we consider the annual audit process to be a significant management tool in analyzing our finances, management processes, and procedures. It is important that the selected auditing firm works in a cooperative manner with the Board of Commissioners and Staff to address any issues that may arise, not just irregularities or suspicion of fraud or theft. We depend on many perspectives during our routine decision-making processes. We expect that our auditor will bring forth issues that the auditor may see as a management or operational inefficiency or lacking in any respect. We consider this a team effort, and welcome suggestions for improvement.

**Term of Engagement:** A three-year contract with an option for three additional, individual years; subject to annual review by District Management, the satisfactory negotiation of terms (including a price acceptable to both the Downers Grove Park District and the selected firm) and the concurrence of the Board of Commissioners.

**Background Information:** The Downers Grove Park District was incorporated in 1946, and operates under a Board of five elected commissioners serving four-year terms. With almost 600 acres of parks and facilities, there are thousands of opportunities for individuals of all ages and interests to grow, play, imagine and explore. As a previous National Gold Medal finalist and winner, the District takes pride in

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the ability to provide high quality recreational experiences and facilities to the community. Within Downers Grove you can visit our historic Golf Course to reserve a tee time, learn how we are preserving and protecting natural resources such as Lyman Woods and Belmont Prairie, or start on the path to a healthier lifestyle at our 69,000 sq. ft. state of the art Recreation and Fitness Center.

The District 2016 Operating revenues were approximately \$12.7 million with another \$1 million dollars received from Land/Cash Donations, and the sale of some land. Current and historic: budgets, financial statements & information can be found at: <http://www.dgparks.org/about-us/board-of-commissioners>

**Fund Structure:** The Downers Grove Park District currently uses the following fund types and account groups in its financial reporting:

- a) One General Fund
- b) One Proprietary Fund
- c) Nine Special Revenue Funds
- d) One Debt Service Fund
- e) One Capital Projects Fund

**Budgetary Basis of Accounting:** The Downers Grove Park District prepares its annual budget and appropriation ordinance on a basis consistent with the Park District Code.

### **B. NATURE OF SERVICES REQUIRED**

**Scope of Work to be Performed:** The Downers Grove Park District is seeking an auditor to express an opinion on the fair presentation of its general-purpose financial statements and its basic financial statements, in conformity with generally accepted accounting principles.

The Park District also desires the auditor to express an 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 is not required to audit the supplemental data contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supplemental schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining, individual fund and account group financial statements and schedules. The auditor is not required to audit the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board, as mandated by generally accepted auditing standards. The auditor is not required to audit the schedule of federal expenditures. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

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

The auditor will be responsible for preparing the annual financial statements for the District.

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Additionally, it is requested that the proposal include an option for a single audit under the provisions of the federal Single Audit Act of 1984 (as amended in 1996), if it becomes necessary.

The auditors shall provide to the District all audit adjustments, including appropriate back-up documentation and will meet with staff to discuss these final adjustments.

In preparing your proposal, please note that from time to time it will be necessary for your personnel to meet with District personnel regarding accounting matters. Additionally, we may contact your firm periodically requesting general information of a financial management nature. We would not expect this type of service to be very time consuming and as such, we would expect this to be built into the fixed audit fee.

**Auditing Standards to be Performed:** To meet the requirements of this request for proposal, the audit shall be performed in accordance with generally accepting auditing standards, the standards for financial audits set forth in the General Accounting Office's Government Auditing Standards, the provisions of the federal Single Audit Act and U.S. Office of Management and Budget Circular A-133.

**Reports to be Issued:** The auditor shall prepare the following reports at the completion of the audit:

- 1) Twenty (20) copies and one (1) electronic copy of the Comprehensive Annual financial Report. The auditor will prepare all financial statements and notes to the financial statements. The auditor will assist in preparation of the statistical section of the CAFR and will prepare appropriate schedules.
- 2) Fifteen (15) copies and one (1) electronic copy of a report on the financial statements, internal control and compliance in accordance with the audit guide and standards for compliance with the Single Audit Act, as may be required.
- 3) An electronic copy of the Illinois Comptroller's Annual Financial Report for the Downers Grove Park District and filed electronically.
- 4) A letter to management containing appropriate suggestions for improvement of accounting procedures and internal controls for the District's consideration. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be reviewed by the Finance Department and Executive Director before finalizing.

**Special Considerations:** The Downers Grove Park District has received the GFOA's Certificate for Excellence in Financial Reporting for over 30 years. We plan to continue to apply for this award and anticipate the auditor provide any assistance or guidance needed for the District to continue to meet the requirements of this program.

**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 3-5 years, unless the firm is notified in writing by the Downers Grove Park District of the need to extend the retention period. The auditor will be required to make any and all working papers available, upon request, to the Downers Grove Park District. 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.

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### C. DESCRIPTION OF THE GOVERNMENT

**Principal Contact:** The auditor's principal contact that will coordinate the assistance to be provided by the Downers Grove Park District to the auditor will be: Tricia Farkas, Superintendent of Finance.

**Computer Systems:** The day-to-day accounting transactions of the District are conducted using the Municipal Software Inc. (MSI) software package. However, this may change during the timeframe of the contract.

### D. TIME AND REPORT REQUIREMENTS

**Audit Calendar:** The auditors must be able to meet the following key dates for the fiscal year 2017 audit:

Preliminary work completed by January 31, 2018

Fieldwork completed by March 30, 2018

First Draft completed by April 13, 2018

Final printed and bound reports by May 9, 2018

Board Presentation at a 7:00 P.M. Public Meeting tentatively expected for May 17, 2018

If the proposing firm sees any problem with meeting this schedule, it should be noted in the proposal with an alternate schedule.

### E. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

**Finance Department & Clerical Assistance:** 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 at the request of the auditor will be the responsibility of the Downers Grove Park District.

### F. PROPOSAL REQUIREMENTS

**Deadline to Submit Proposal:** Completed proposals must be received by 12:00 P.M. (Noon) on Wednesday, July 12, 2017 and must satisfy the requirements set forth in the request for proposal.

**Inquiries:** Inquiries concerning the request for proposals and the subject of the request for proposal must be made to: **Erik Brown, Email: [Ebrown@dgparks.org](mailto:Ebrown@dgparks.org) or Phone: (630) 960-7257.**

**Pre-Selection Meeting:** The Downers Grove Park District may schedule meetings with select firms to review their proposals in person.

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake and independently audit the Downers Grove Park District, in conformity with the requirements of this request for proposals. As such, the substance of proposals should demonstrate the

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qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

**RFP Process:** After the District reviews the RFPs received from audit firms, the Finance Department will review and determine which firms will be invited for an in-house interview. Following the in-house interview staff will make a final recommendation and ask for the Board's approval at the August 17, 2017 Board Meeting (tentative).

**Independence:** The firm should provide an affirmative statement that it is independent of the Downers Grove Park District, as defined by generally accepted auditing standards.

**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 and nature of the professional staff to be employed in this engagement on a full-time and on a part-time basis.

**Partner, Supervisory and Staff Qualifications and Experience:** The firm should identify the principal supervisory and management staff including engagement partners, managers and other supervisors, who would be assigned to this engagement and indicate whether each such person is registered as a certified public accountant in Illinois. The firm should also provide information on the government auditing experience, years of experience, and education of each person.

The firm should provide as much information as possible regarding the number, qualifications, experience & training of the staff to be assigned to this engagement, including the expected number of hours for each individual in relation to the audit, & who the main contact will be for the District throughout the fiscal year.

**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 (minimum of five) in the last three years that are similar to the engagement described in this request for proposal. Also, indicate those park districts, which achieved the Certificate of Achievement for Excellence in Financial Reporting award while your firm was engaged as their auditors. Indicate the scope of work, date, engagement partner, total hours, and the name and telephone number of the principal client contact. Specifically identify those engagements at which the managers and other supervisors who will be assigned to the Downers Grove Park District engagement have worked.

**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:

- 1) Proposed timing of the engagement,
- 2) Level of staff & number of hours to be assigned to each proposed segment of the engagement,
- 3) Sample size and the extent to which statistical sampling is to be used in the engagement,
- 4) Type and extent of analytical procedures to be used in the engagement,

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5) Approach used to gain & document an understanding of the District's internal control structure,

6) Approach to be taken in determining laws and regulations that will be subject to audit test 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 District.

### G. DOLLAR COST

**Total All Inclusive Maximum Price:** The proposal should contain two price quotes specifying all pricing information relative to performing the audit engagement, as described in this request for proposal. A separate cost should be identified for completion of a single audit report, as needed. The total all-inclusive maximum price is to include all direct and indirect costs, including all out-of-pocket expenses.

The Downers Grove Park District will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The first page of the cost schedule should include the following information:

- 1) Name of Firm
- 2) Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal and authorized to sign a contract with the Downers Grove Park District.
- 3) All-inclusive maximum price quotes for the 2017, 2018 and 2019 audit engagements with a separate cost identified for completion of a single audit report as this report may or may not be required from year to year. Additional quotes should be provided for the previously discussed three year, mutual options for 2020, 2021, and 2022.

**Rates by Partner, Supervisory and Staff Level Time Hours Anticipated for Each:** The cost schedule should include a schedule of professional fees and expenses broken into the above categories.

**Out-Of-Pocket Expenses:** The total all-inclusive maximum price is to include all anticipated out-of-pocket expenses.

**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.

### H. EVALUATION CRITERIA

Proposals will be evaluated by the Finance Department to determine which proposal best meets the requirements of the District. Evaluation factors include, but are not limited to technical expertise, qualifications, references, experience of the firm (and audit team), success in securing and maintaining

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the Certificate of Achievement in Excellence in Financial Reporting for their clients, staff knowledge of the auditors' professional reputation within local government, as well as fee.

### **Mandatory Elements:**

- 1) The audit firm is independent and licensed to practice in the State of Illinois.
- 2) The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
- 3) The firm has no conflict of interest with regard to any other work performed by the firm for the Downers Grove Park District.
- 4) The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- 5) The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- 6) The firm has an understanding of the specific needs of the Downers Grove Park District, as it relates to the audit engagement.

### **Technical Qualifications:**

- 1) The firm exhibits expertise based on experience and performance on comparable government engagements.
- 2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be assigned to the engagement will also be considered.

**Price Consideration:** Cost will not be the primary factor in the selection of an audit firm.

**Final Selection:** The Downers Grove Park District will select a firm based upon the evaluation criteria. It is anticipated that a contract will be awarded in August 2017.

**Right to Reject Proposals:** 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 contract between the Downers Grove Park District and the firm selected.

The Downers Grove Park District reserves the right without prejudice to reject any or all proposals.