

Quincy Park District

Audit RFP

The Board of Commissioners of the Quincy Park District (throughout the rest of this document referred to as the "District") is initiating a formal process for selection of independent certified public accountants for the fiscal year ending December 31, 2019, and subsequent years. As part of this process, we are requesting written responses to requests for proposals. **These responses are to be returned to the address indicated later in this document by 2:00 pm on August 30, 2019.**

Danielle M. Fleer, CPA, P.C. has served as the District's external auditor for several years. The decision to invite other proposals for the audit engagement should not be interpreted as evidence of any dissatisfaction with that firm or its performance.

GENERAL INFORMATION

The District was established in 1940 and is governed by seven (7) elected board of commissioners. The District consists of approximately 1012 acres of park land. Facilities include an administrative building with an indoor playground, an outdoor swimming pool with waterslide, batting cage/miniature golf and paddleboat operation with concession stand, 241 slip marina and public boat launching ramps, irrigated 27-hole public golf course with clubhouse, pro-shop and concessions, a riverfront interpretive center, lighted baseball/softball fields, lighted tennis and pickle ball courts, soccer/football fields, basketball courts, 23 picnic shelters, fishing lake, 15 playground sites, 2 – 18 hole disc golf courses, archery range, trailer dumping station, walking/jogging path, and a linear park/trail in progress.

The District provides a full range of activities and services year round. Recreation programs for youth and adults include baseball/softball, basketball, golf, aerobic classes, music lessons, art classes, swimming lessons, tennis lessons, day camps, special events, senior programs, mommy/daddy date nights, baseball camps, after-school programs and nature programs.

Separate from the many funds of government activities, the District operates business type activities. The governmental activities reflect the Quincy Park District's basic services which include a wide variety of Park and Recreation activities. The business type activities reflect private sector type operations which would include the golf course, marina and gas dock operations.

PERIOD OF CONTRACT

Contract period for the auditing of financial reports specified shall be for three fiscal years ending December 31, 2019, 2020, and 2021. It is the desire of the District that this contract shall be awarded no later than November 13, 2019.

SCOPE OF PROPOSAL

The professional services to be performed are audits of the financial reports detailed below. The examinations shall be made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in government auditing standards issued by the Comptroller General of the United States.

AUDIT OBJECTIVES

The District's objectives of the audits are to have you express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in "Information/Reports Required" when considered in relation to the financial statements taken as a whole. **The audit is to be prepared in accordance with the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) guidelines.** The District has applied and received this award for six (8) consecutive years.

The objective also includes reporting on internal controls related to the financial statements and compliance with laws, regulations, and noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The reports on internal control and compliance should each include a statement that the report is intended for the information and use of the board of commissioners, finance committee, management, specific legislative or regulatory bodies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

The audit should be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and should include tests of accounting records and other procedures you consider necessary to enable you to express such an opinion and to render the required reports. If your opinion on the financial statements is other than unqualified, you should discuss the reasons with the District's management in advance.

AUDIT PROCEDURE EXPECTATIONS

General - Your audit should include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, the audit will involve judgment about the number of transactions to be examined and the areas to be tested. You should plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws of governmental

regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because an audit is designed to provide reasonable, but not absolute, assurance and because you will not perform a detailed examination of all transactions, we understand that there is a risk that material misstatements or noncompliance may exist and not be detected by you. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct effect on the financial statements or to major programs. However, you should inform the District's management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to your attention. You should also inform the District's management of any other illegal acts that come to your attention, unless clearly inconsequential.

Your responsibility as auditors are limited to the period covered by the audit and does not extend to any later periods for which you are not engaged. Your audit should include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. You should also request written representations from the District's attorneys as part of the engagement. At the conclusion of the audit, the District's management will provide certain written representations about the financial statements and related matters.

The District's internal documents, ledgers and records will be available February 10th of each year.

Internal Control

In planning and performing the audit, the District would expect you to consider internal control sufficient to plan the audit in order to determine the nature, timing, and extent of your auditing procedures for the purpose of expressing your opinions on the District's financial statements and on their compliance with requirements applicable to major programs.

You should obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that you consider relevant to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Your tests, if performed, should be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion would be expressed in your report on internal control issued pursuant to Government Auditing Standards.

The District understands that an audit is not designed to provide assurances on internal control or to identify reportable conditions. However, you should inform the governing

body or auditing committee of any matters involving internal control and its operation that you consider being reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to your attention relating to significant deficiencies in the design or operation of the internal control that, in your judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Compliance

Your audit should be conducted in accordance with the standards referred to the section "Audit Objectives." As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, you should perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures should not be to provide an opinion on overall compliance, and you should not express such an opinion in your report on compliance issued pursuant to *Government Auditing Standards*.

Management Expectations

The District's management understands that it is responsible for establishing and maintaining internal control and for compliance with the provisions of contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls.

Management is responsible for making all financial records and related information available to you and for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to you in writing that the effects of any uncorrected misstatements aggregated by you 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. It is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings will be available for your review.

The District understand that our employees will prepare all cash, accounts receivable, and other confirmations you request and will locate any documents selected by you for testing.

Finalizing the Audit

The work papers for this engagement will be the property of the auditing firm and constitute confidential information. All work papers for this engagement should be retained for a minimum of five (5) years after the date of your report being issued, unless

the firm is notified in writing by the District of the need to extend the retention period. The District shall be notified of any requests for review of work papers. If such a request is made, the District requests that access to such work papers should be provided under the supervision of the audit firm's personnel. 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.

As part of your engagement, you will be expected to prepare and complete the final audit report by June 24th of each year and prepare the Illinois Comptroller's Annual Financial Report and to file such report by June 30st for the years included in the engagement. Two (2) copies of the Illinois Comptroller's Annual Financial Report filed shall be provided to the District.

As a part of finalizing the audit, we will provide to you a letter confirming that, to the best of our knowledge and belief, we have provided accurate and all financial statements; that we have no knowledge of fraud; that there are no known violations of laws; and we own all assets reported; that we have complied with all funding regulations and restrictions; and that internal controls are maintained by our employees.

You shall provide the District with three (9) bound, one (1) un-bound and one (1) pdf copies of the final audit report by July 1st of each year.

INFORMATION/REPORTS REQUIRED

As a part of the above procedures, Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR), and based on our past experience, the following information should be included with your audit but not limited to the following financial statements, related statements of activities and cash flows for the year then ended: (GFOA's CAFR Preparer Checklist should be followed for the following items)

Cover
and
Table of Contents

Introductory Section:

CAFR: Letter of Transmittal

Organizational Chart

List of Principal Officials

Certificate of Achievement

Financial Section:

Report of the independent auditor:

Management's Discussion and Analysis (MD&A):

Basic Financial Statements:

Government-wide Financial Statements:

1. Statement of Net Position
2. Statement of Activities

Fund Financial Statements:

1. Balance Sheet – Governmental Funds
2. Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
3. Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
4. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
5. Statement of Net Position- Proprietary Funds
6. Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds
7. Statement of Cash Flows- Proprietary Funds
8. Notes to Financial Statements

Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Required Supplementary Information (RSI):

1. Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual – General Corporate Fund
2. Schedule of Revenues and Expenditures – Budget and Actual – Major Special Revenue Funds
3. Schedule of Changes in Net Pension Liability and Related Ratios
4. Schedule of Contributions
5. Notes to Required Supplementary Information

Other Supplementary Information:

1. Combining Balance Sheet – General Corporate Accounts
2. Combining Balance Sheet – Non-major Governmental Funds
3. Combining Balance Sheet – Non-major Governmental Funds – Special Revenue Funds
4. Combining Balance Sheet – Debt Service Funds
5. Combining Balance Sheet – Capital Projects Funds
6. Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

- Non-major Governmental Funds
- 7. Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds – Special Revenue Funds
- 8. Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Debt Service Fund
- 9. Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Fund
- 10. Schedule of Revenues and Expenditures and Changes in Fund Balances – Budget and Actual – General Corporate Fund
- 11. Schedule of Revenues and Expenditures and Changes in Fund Balances – Budget and Actual – General Corporate Fund – Administration
- 12. Schedule of Revenues and Expenditures and Changes in Fund Balances – Budget and Actual – General Corporate Fund – Other
- 13. Schedule of Revenues and Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Recreation
- 14. Schedule of Revenues and Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Recreation - Administration
- 15. Schedule of Revenues and Expenditures – Budget and Actual – Non-major Special Revenue Fund
- 16. Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Recreation – Swimming Pool
- 17. Schedule of Revenues and Expenditures – Special Revenue Fund – Recreation – Swimming Pool
- 18. Schedule of Revenues and Expenditures – Budget and Actual – Special Revenue Fund – Museum
- 19. Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual - Proprietary Funds
- 20. Schedule of Revenues and Expenses – Proprietary Fund – Westview Golf Course

Supplementary Exhibits:

- 1. Tax Levy and Collection Statistics

Statistical section:

- 1. Net Position by Component, Last Ten Fiscal Years
- 2. Change in Net Position, Last Ten Fiscal Years
- 3. Fund Balances, Governmental Funds, Last Ten Fiscal Years
- 4. Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years
- 5. Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years
- 6. Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years
- 7. Principal Property Tax Payers, Current Year and Nine Years Ago
- 8. Property Tax Levies and Collections, Last Ten Fiscal Years
- 9. Ratios of Outstanding Debt by Type, Last Ten Fiscal Years
- 10. Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years
- 11. Direct and Overlapping Governmental Activities Debt
- 12. Legal Debt Margin Information, Last Ten Fiscal Years

13. Reserved for Future Use
14. Demographic and Economic Statistics, Last Ten Calendar Years
15. Principal Employers, Current Year and Nine Years Ago
16. Employees by Function, Last Ten Fiscal Years
17. Operating Indicators by Function/Program, Last Ten Fiscal Years
18. Capital Assets by Function/Program, Last Ten Fiscal Years

FEE QUOTATION

Fees quoted should be a total fixed fee, including all expenses. A schedule of hourly rates to be charged is to be included in the event a change order or request for additional audit or consulting services is issued during the period under contract. The audit fee shall be reduced five (5) percent for each week the final audit report is presented past June 24st of each year.

PROPOSAL PROCESS

Auditors are to make written proposals which present their qualifications and understanding of the work to be performed. Your proposal should provide all the information which you consider to your qualifications for this project including the following required minimum standards:

The audit firm meets the appropriate state licensing requirements.

The audit firm meets the applicable independence standard.

The audit firm has a record of responsible work.

The audit firm complies with applicable requirements for peer review and continuing professional education as follows:

- Indicate if proposed employees have received continuing professional education in accounting and auditing during the last two years;
- Provide a copy of your firm's most recent Peer Review Report, Letter of Comments, and the firm's response.

Additional Qualifications:

- Identify other like organizations that your firm audits.
- Identify the partners and managers who would tentatively be assigned responsibility for the engagement, including a brief resume or description of their related experience
- Describe your firm's capacity and general approach to auditing computerized information systems as part of financial statement audits
- Provide a general description of the firm's approach to the audit, including a proposed time schedule.

During the evaluation process, the District has the discretion to request any one or all firms to make oral presentations. Such presentations may provide firms with the

opportunity to answer any questions on a firm's proposal. Not all firms may be asked to make such oral presentations.

The District reserves the right without prejudice to reject any and all proposals.

PROPOSAL PROCESS INSTRUCTIONS

1. Submit nine (9) copies of the proposal.
2. Auditors are urged to compute all discounts for prompt payment into the quoted prices, with terms of payment to be Net, 30 days. Such proposals may receive preference. If a cash discount is offered and accepted it will be considered earned if paid within 30 days after receipt of correct invoice or acceptance of goods, whichever is later.
3. It is the audit firm's responsibility to have the proposal correctly marked, sealed and in the Quincy Park District's Business Office by the specified date and time for opening.
4. The proposal and any accompanying documents shall be submitted in a sealed envelope addressed and marked as follows:

**Business Office – Auditor Proposal
Quincy Park District
1231 Bonansinga Dr.
Quincy, IL 62301**

The District will accept the facsimile/electronic transmission of a manually signed bid at the risk of the bidder. The District will not be responsible for the confidentiality of bids submitted by facsimile/electronic transmission. Any delay in receipt of a facsimile bid, and any incompleteness or illegible portions of such bid is the responsibility of the bidder. Bids by facsimile/electronic should be transmitted to the attention of Quincy Park District Treasurer, fax number (217) 228-9209, email address of dhilgenbrinck@quincyparkdistrict.com.

5. Proposals must be received at the above address by **2:00 pm on August 30, 2019**.