

VILLAGE OF CAMPTON HILLS

REQUEST FOR PROPOSALS

The Village of Campton Hills invites qualified Independent Certified Public Accountants licensed in the State of Illinois to submit proposals for auditing services for fiscal years ending April 30, 2008 through 2010, in accordance with the following requirements and specifications. The continuation of the contract after each year is solely at the discretion of the Village of Campton Hills.

There is no expressed or implied obligation for the Village of Campton Hills to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. The Village reserves the right to reject any and all proposals and/or waive minor technicalities/irregularities.

To be considered, please submit (2) copies of the proposal no later than 4:00 p.m. on September 26, 2008, to:

Kathy L. Catalano, Treasurer/Finance Director
Village of Campton Hills
40W115 Campton Crossings Drive Unit B
Campton Hills, IL 60175

and an electronic copy to treasurer@villageofcamptonhills.org

During the evaluation process, the Village reserves the right to request additional information or clarifications from prospective auditors or to allow corrections of errors or omissions.

GENERAL INFORMATION

Incorporated on April 17, 2007, Campton Hills became Illinois' newest municipality located in Kane County, Illinois. It's a village where residents value the area's long history, its semi-rural atmosphere and the scenic beauty. Presently the Village has an estimated population of 12,400 plus. A special census was contracted in FY08 and was completed in May, 2008. The Village is awaiting the revised certification of population. The village is approximately 20.3 square miles with 102 miles of roadway and an estimated equalized assessed valuation of \$578,000,000.

The Village operates under the Board form of government; a President and six Trustees. Currently, the Village President additionally acts as Village Administrator. The Village employs 4 police personnel on a full time basis and approximately 6 part time patrolmen, a part time deputy clerk/office manager, and a part time building & zoning officer. The total payroll for FY08 was approximately \$ 220,000.

The Village of Campton Hills provides the following services to its citizens: police protection, street maintenance (the majority through an intergovernmental agreement with Campton Township), building and code enforcement (Kane County handles building permits, etc.), and general administrative and financial functions.

The Finance Department is headed by the Treasurer/Finance Director, and consists of no other employees. The principal functions performed are: Finance Administration, Accounting, Accounts Payable and Payroll. The Village utilizes Quick Books Premier Edition 2006 to maintain the financial transactions and a back up copy can be used for the proposed audit. Excel is also utilized for financial reporting. Since FY08 is the first year of incorporation of the Village, and population of 10,504 was not certified until August 2007, the Village received approximately eight months of revenue. Additionally, employment of personnel did not occur until September 2007.

Village of Campton Hills utilizes fund structures in accordance with current governmental accounting standards. In total, the Village employed three funds as of April 30, 2008; General, MFT and Police Pension. The Village utilizes the additional Road & Bridge Fund beginning FY09. For the past fiscal year FY2008, the Village of Campton Hills has received the following financial assistance and state revenue sources: - Federal Assistance: Flood related grant then passed through to Campton Township State Payments: Income Tax, Motor Fuel Tax, Sales and Use Taxes.

The following information is an estimate of the Village's financial activity.

Vendor Checks Issued Annually: 750
Annual Payroll: FY08 \$220,000 and FY09 \$ 450,000
Payroll Checks Issued Annually: 600
FY2008 Appropriation: \$1,286,000
FY2009 Appropriation: \$3,315,000

Scope of Audit

To meet the requirements of this request for proposal, the audit shall be performed in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants. These audits are to be performed in accordance with the provisions included in this request for proposal. The Village of Campton Hills desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with Generally Accepted Accounting Principles.

The auditor shall also be responsible for preparing the supplementary information required by the Government Accounting Standards Board as mandated by Generally Accepted Auditing Standards.

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

The auditor shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Treasurer and Village President.

Reports to be Issued

Following the completion of the audit of the fiscal years' financial statements, the auditor shall issue a report on the fair presentation of the general-purpose financial statements in conformity with Generally Accepted Accounting Principles.

The auditor shall prepare the following reports at the completion of the audit, including any electronic filing that is required:

1. An Annual Financial Report on the examination of the financial statements of the Village including all funds and account groups. The auditor will prepare all financial statements and notes to the financial statements. (15 copies) An electronic and/or reproducible version of the report is also required.
2. The annual supplemental report required by the Office of the Comptroller of the State of Illinois (AFR). (3 copies)
3. During the course of the examination, the auditor may find weaknesses in internal controls. The auditor shall summarize such findings and recommendations regarding accounting procedures, internal control and compliance matters in the form of a separate management letter to the Village. (3 copies)

The auditor will propose a separate fee for the completion of the Illinois Division of Insurance Police Pension Report for each of the three fiscal years.

Currently, the Village of Campton Hills does not have a Comprehensive Annual Financial Report prepared, as this is the first fiscal year to be audited, however, if this option is chosen in subsequent years, the following additional reports would be required:

1. The Village would require assistance from the auditors for the first year's initial preparation of the statistical section, and would then prepare the statistical section in subsequent years.
2. Response to prior year comments from the Government Finance Officers Association relating to the Certificate of Achievement for Excellence in Financial Reporting Award Program when there are comments to respond to. (2 copies)

The auditor will provide copies of all sections of the report, including front and back covers, binders and dividers and will be required to punch, collate and bind

documents. The auditors will prepare confirmation correspondence. The Village reserves the right to prepare the front and back covers, but only if desired by the Village.

Audit Calendar

The Village of Campton Hills will make all records and management personnel available to meet with the firm's personnel anytime after the award of contract. The Village of Campton Hills has a fiscal year end of April 30th and expects to have fully adjusted trial balances available no later than June 30th of each year. The auditors must be able to meet the following guidelines for the FY09 and FY10 fiscal year audit:

Fieldwork completed by the last week of July.
Draft reports completed no later than August 31st.
Final printed and bound reports by September 30th.

It is understood that the auditors will be following a tighter schedule for FY08.

Audit work papers shall remain in the custody of the auditor, however, the Treasurer/Finance Director and succeeding independent auditors shall be given access to audit work papers and shall have the right to copy such work papers pertaining to audits for the fiscal years 2008 through 2010 for a period of up to five (5) years after the audit is completed.

The auditor will be responsible for the preparation of all financial statements, including all supplementary data, schedules and footnotes. The Village will provide the auditors with real balances of all funds and other supporting documentation necessary to conduct the audit. The auditor shall be expected to consult with staff on the preparation of statements in conformity with the Government Finance Officers' (GFOA) Certificate of Achievement Program if necessary.

Qualifications

Proposals will be accepted from firms with demonstrated experience and competency in municipal auditing. The minimum qualifications for firms submitting proposals are:

1. The audit shall be conducted under supervision of licensed independent Certified Public Accountants experienced and knowledgeable in municipal auditing.
2. The firm must be able to provide a minimum of three (3), maximum of ten (10) current or former Illinois government clients.
3. Firms submitting proposals will not subcontract any portion of the engagement to any other individual or firm.

Fees

The proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price for each of the three (3) years is to contain all direct and indirect costs including all out-of-pocket expenses. Two separate prices, one for AFR preparation, and one for CAFR preparation, should be provided for each of the three (3) years.

The Village will not be responsible for expenses incurred in preparing or submitting a firm's proposal. Such costs should not be included in the proposal.

It is not the intent of the Village to seek service proposals on an annual basis, but rather to secure the services of a firm with whom a relationship may be maintained for an extended period of time. For that reason, proposals are being requested for three years. Subject to satisfactory service and negotiated engagement terms, it is not anticipated that a request for proposal would be distributed for at least three years.

Proposal Formats

In order to simplify the review process and obtain the maximum degree of comparison, proposals must be organized in the manner stated below:

- A. Description of Firm
Include name, address, phone number, number of professional staff and services available outside of audit (i.e. tax, wage and compensation consultation, computer information systems, etc.).
- B. Relevant Experience
Listing of current clients relevant to the Village of Campton Hills audit; villages, towns, and other local governments. For all current clients listed, also provide the name and phone number of a reference.
- C. Engagement Personnel
Provide a list of the personnel that would be assigned to the Village's account. Please include the names of a partner, and also a manager or senior accountant, if applicable. For each individual listed, please supply information on any relevant engagement experience, professional activities, as well as total years of audit experience.
- D. Audit Approach
Detailed audit plan for the engagement, including the use of computerized software for trial balance and report preparation.

- E. **Audit Fees**
List fees for each audit year separately. When preparing these, provide a maximum, not to exceed fee proposal including all expenses.
- F. **Hours**
Provide an estimate of audit hours by staff classification. Provide a timetable for completion of the audit and issuance of reports.
- G. **Technical Qualifications**
Summarize your firm's technical qualifications specifically related to Village of Campton Hills, including involvement in related organizations (GFOA), specialized staff training and publications.
- H. **References**
Provide a list of a minimum of three (3), maximum of ten (10), client references with comparable operations, needs, and service requirements as the Village of Campton Hills (i.e. other municipalities). Each reference listed should include the name of a contact person and a phone number.
- I. **Acknowledgement**
Provide a statement acknowledging that your firm understands and will meet the audit specifications listed in this request for proposal.
- J. **Signature**
Each proposal should be signed and dated.

Evaluation of Proposals

The proposals will be reviewed by the Treasurer/Finance Director and the recommendation for auditor selection will be based on the following criteria:

1. The firm's experience in performing municipal audits and the firm's success in securing and maintaining the Certificate of Achievement in Financial Reporting Award for municipal clients.
2. Reputation of the firm, based on references.
3. Understanding of the specific needs of the Village of Campton Hills and willingness to meet performance specifications.
4. Qualifications and experience of the personnel to be assigned to the engagement.

5. Proposed fees as compared with other proposals.

The Village reserves the right to cancel the contract for failure on the part of the auditing firm to conform to expected standards, or for failure to perform in accordance with the terms of the Request for Proposal.

All proposals will be evaluated for completeness, cost effectiveness and government experience. The Village reserves the right to reject any and all proposals that (1) are not received by the deadline; (2) are not legible or understandable; (3) do not meet minimum requirements illustrated in these specifications; (4) are deemed not to be in the best interest of the Village under the discretion of the Treasurer/Finance Director and/or the Finance Committee..

The Village may request to interview the auditing firm whereby such interview will be conducted by the Treasurer/Finance Director and, if necessary, the Finance Committee. The auditor can also submit questions to the Village through the Treasurer/Finance Director. The formal selection and recommendation of an independent auditor will be made by the Village Board, upon recommendation of the Treasurer/Finance Director and Finance Committee.

Instructions for Submitting Proposals

All proposals must be submitted by 4:00 p.m. on September 26, 2008 to:

Kathy L. Catalano , Treasurer/Finance Director
Village of Campton Hills
40W115 Campton Crossings Drive Unit B
Campton Hills, IL 60175

Two (2) copies of proposals are required, as well as an electronic copy sent to treasurer@villageofcamptonhills.org. All proposals submitted become the property of the Village of Campton Hills and shall be retained. All prices shall remain in effect for 60 days.

Any questions regarding the proposals should be directed to Kathy L. Catalano, by email treasurer@villageofcamptonhills.org.