



**REQUEST FOR PROPOSALS
FOR
AUDITING SERVICES
FOR
FISCAL YEARS ENDING APRIL 30, 2024 – APRIL 30, 2028**

Tentative Schedule (subject to change)	Date	Time
RFP Issue Date	01/02/2024	3:00 pm CST
Responder Questions Due	01/23/2024	3:00 pm CST
Proposals Due and Opened	01/30/2024	3:00 pm CST
City Council Meeting & Recommendation for Auditing Services	02/12/2024	6:30 pm CST
Firm Notified and Contract Executed	02/13/2024	3:00 pm CST

Submit Questions To:
Jennifer Schmidt, Finance Director
jschmidt@cityofgalena.org
815-777-1050

Submit Proposals To:
City of Galena
Attn: Finance Director
101 Green St, PO Box 310
Galena IL 61036
Envelope should be clearly marked:
2024 CITY OF GALENA AUDIT RFP

Note: This cover sheet is an integral part of the proposal documents and is, as are all the following documents, part of any contract executed between the City of Galena and any successful Respondent.

Respondent Certified Public Accounting Firm Name *(please print)*

LINKS

A. City Audited Financials:

https://www.cityofgalena.org/documents/filelibrary/top_tabs/your_government/audits/City_of_Galena_FY_2022_Audit_59A096958AC43.pdf

B. City Annual Budgets:

https://www.cityofgalena.org/en/city_services/budget/

C. Monthly Financial Reports:

https://www.cityofgalena.org/en/your_government/agendas_and_minutes/city_council/monthly_financial_reports/

A. REQUEST FOR AUDITING SERVICES

The City of Galena, Illinois (the “City”) is soliciting proposals from qualified firms of certified public accountants to audit the municipality’s financial statements for the fiscal years ending April 30, 2024, 2025, 2026, 2027 and 2028. The audits are to be performed in accordance with Generally Accepted Government Auditing Standards.

B. NATURE OF SERVICES REQUIRED

1. Scope of Work – All work must be completed in compliance with the auditing standards generally accepted in the United States and the Governmental Accounting Standards Board (GASB).
 - a. An audit resulting in the completion of an Annual Financial Report (AFR). The AFR and associated work will include:
 - i. An opinion on the manner in which the City’s basic financial statements are prepared and presented.
 - ii. An opinion on the manner in which the combined and individual fund financial statements and schedules are prepared and presented.
 - iii. Examination of all City funds for compliance with generally accepted accounting principles and sound internal control and financial management procedures.
 - iv. Prepare and assist with submission of the Annual State Comptroller Report and upload to Federal Audit Clearinghouse, when necessary.
 - v. Review the City’s accounting, internal control, and financial management practices and provide an annual management letter recommending improvements.
 - vi. Provide periodic advice throughout the year on proper accounting procedures and practices.
 - vii. Attend City meeting to present the AFR to the Galena City Council.
 - b. Performance of certain, limited procedures involving required supplementary information

required by the Governmental Accounting Standards Board.

- c. A report on compliance and internal control over financial reporting based on the audit of the financial statements.
 - d. 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, as reasonable, to answer questions or provide guidance on any issue that may arise throughout the contract period.
 - e. Review of annual Consolidated Year-End Financial Report as required by the Illinois Grant Accountability and Transparency Act and provide In Relation To opinion as required.
 - f. Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 (Single Audit), when necessary.
 - g. Respond to inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
2. Financial Reporting – The auditor shall prepare the AFR. All funds, account groups and departments over which City officials exercise oversight responsibility are included in the City of Galena’s AFR. Account records for all funds are maintained on the modified cash basis, and the financial statements should be prepared on the modified cash basis.
- a. The AFR shall contain at a minimum:
 - i. Independent auditor’s report
 - ii. Report on internal control in accordance with Generally Accepted Government Auditing Standards
 - iii. Management discussion and analysis
 - iv. Government-wide financial statements
 - v. Fund financial statements
 - vi. Supplemental information as required, including schedules of revenues, expenditures and changes in fund balances for all funds
 - vii. Notes to the financial statements and supplemental information, when necessary
 - viii. Other information deemed relevant by the auditor or required by auditing standards
 - b. The auditor shall prepare the following reports, *including a searchable electronic version of each*, at the completion of the audit:
 - i. Combined Financial Statements (15 copies) – Auditor’s 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.
 - ii. Management Report and Recommendations (15 copies) – A management report with recommendations to the City Council regarding accounting and fiscal policies and practices of municipal officers and offices and compliance with State Statutes is required as part of this audit. This report should contain comments and recommendations for controlling any internal weaknesses discovered and must be reviewed by the City Administrator and Finance Director before finalizing.
 - iii. State of Illinois Comptroller (5 copies) – As a part of the contract, the auditor shall also complete on a timely basis the State Comptroller Report.
3. Expectations – While final responsibility for the financial statement rests with the City of Galena, the City expects that the auditor possesses and will demonstrate sufficient expertise in governmental

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accounting and reporting to assure that all reporting requirements are met and shall assist the City in preparing all documents.

- a. The auditor shall express an unmodified opinion on all individual funds and accept In Relation To responsibility for supplemental data. If an unmodified opinion cannot be expressed, the auditor shall bring such matter to the attention of the City of Galena before issuance of the report to determine whether the problems leading to a modification can be resolved.
- b. The auditor shall be available to meet with City staff both before audit fieldwork and upon completion of the AFR. The auditor also shall be available to meet with elected officials at an evening meeting to review the AFR and answer questions regarding the audit or management letter.
- c. The City will provide on-site workspace for the audit team.
- d. The Finance Director will have all records ready for audit, and City employees will provide full assistance to the auditor.
- e. The Finance Director will provide trial balance, general ledger, banking, budgeting, tax, and payroll reports. In addition, the Finance Director will provide access to all supporting documentation for transactions and other documentation as deemed necessary to complete the audit.
- f. The auditor will maintain fixed asset and depreciation records.

C. DESCRIPTION OF THE GOVERNMENT

General Information – The City of Galena’s fiscal year is May 1 – April 30. The City of Galena is a non-home rule municipality governed by a Mayor and six Alderpersons. These officials are elected for four-year, staggered terms. The City also has 7 board members on each of the Zoning Board of Appeals and Historic Preservation Commission. The community has approximately 3,300 residents, but the economy is based on tourism drawing in over one million visitors per year. The City provides the community with a range of services including public works (streets, sidewalks and facilities), police, fire, building, zoning, swimming pool, finance, and general administration. In addition, the City maintains and operates its own water distribution system, storm sewer system, sanitary sewer system, and wastewater treatment facility. The City of Galena has a total payroll of approximately \$2 million covering approximately 115 employees of which 29 are full-time with benefits.

The City of Galena has 19 funds.

Government Funds:

- General Fund
- Special Revenue Funds:
 - Major:
 - Fire Protection
 - Motor Fuel Tax
 - Parks & Recreation
 - Nonmajor:
 - Annual Audit
 - Emergency Services Defense

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- Insurance
- Illinois Municipal Retirement
- Medicare/Social Security
- Flood Control
- Public Works – Capital Projects Fund
- Debt Service Fund

Proprietary Funds:

- Major:
 - Water
 - Sewer
 - Garbage and Refuse Collection
- Nonmajor:
 - Shuttle Services
 - Turner Hall
 - Swimming Pool

Fiduciary Fund:

- Employee Accrued Benefits

Budget – The combined operating budget for FY 2024 is approximately \$14 million.

Finance Operations – The City employs a professional City Administrator who manages city operations. The Finance Director reconciles all general ledger and bank accounts and generates financial statements. The City uses Caselle software package maintained through Civic Systems, Inc. for all its finance operations. The following employees process the day-to-day finance operations:

Accounts Payable – City Clerk/Office Manager

Cash Receipts – Administrative Assistant

Utility Billing – Utility Billing Coordinator

Grants – The City of Galena receives State grants for various projects. The auditor will determine the necessity of and prepare any single audit(s) resulting from the receipt of Federal funds for city projects. The City does not anticipate the need for a single audit in FY 2024, 2026, 2027 or 2028. However, the City will likely be subject to a single audit in 2025.

Cash and Investments – Deposits are managed by the Finance Director with oversight from the City Administrator. Currently, the City has approximately \$11.5 million in cash and investments from 2 IL Funds accounts, 20 certificates of deposit and 4 bank checking accounts.

Debt – Outstanding debt for the City is the result of large capital projects completed over the past few decades that were necessary to improve the City's infrastructure. As of April 30, 2023, the City's outstanding debt totaled \$7.5 million.

D. PROPOSAL FORMAT

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The proposal should be submitted in two parts – the technical proposal and a dollar cost bid.

1. Technical Proposal – The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake audit services in conformity with the requirements of this request for proposals. The technical proposal should demonstrate the qualifications of the firm and the staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements. The technical proposal should be prepared simply and economically, providing a straightforward, concise description of the firm’s capabilities to satisfy the requirements of the request for proposal. The proposal should consist of:
 - a. Title Page – The response should identify the request for proposal’s subject; the firm’s name; name and title of contact person; address, telephone number and email address; and the date of the proposal.
 - b. Table of Contents – The table of contents should clearly identify materials by section and page number.
 - c. Letter of Transmittal – The letter of transmittal signed by an authorized representative of the firm can be one or two pages and tailored to fit individual preferences. It should contain the following information:
 - i. A brief understanding of the services to be provided.
 - ii. A positive commitment to perform the services within the time specified.
 - iii. A statement about why the firm believes itself to be best qualified to perform the engagement.
 - iv. A statement indicating the period for which the proposal is a firm and irrevocable offer.
 - d. Profile of Independent Auditor – The profile of the respondents is requested for general background information. This should include:
 - i. An affirmation that the firm and all assigned key personnel staff are properly licensed to practice in Illinois as certified public accountants.
 - ii. An affirmation that the firm meets the independence requirements of Generally Accepted Auditing Standards.
 - iii. The organization and size of the firm, the size of the firm’s governmental 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, by staff level.
 - e. Summary of the Firm’s Qualifications and Experience
 - i. Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the engagement. Provide information on the government auditing experience, qualifications, and training of each person. Personnel may be changed, but the firm should indicate how the quality of staff over the term of the agreement will be assured.
 - ii. Describe the firm’s 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 number of municipal audit clients who have been served in the last year.
 - iii. Enclose a copy of the firm’s most recent external quality control peer review report.

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- iv. At least three (3) references are required – all should be municipal audit clients. Provide client names, contact persons, telephone numbers and any other relevant information.
- f. Audit Process – The proposal should set forth a work plan, including an explanation of the methodologies to be followed to perform the services required in this request for proposal.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL.

- 2. Compensation Proposal – The proposal should consist of:
 - a. A total all-inclusive compensation proposal for each year to be audited – 2024-2028. All costs associated with entrance, progress, exit and other meetings should be included in the cost for audit services.
 - b. A separate compensation proposal for the completion of Single Audit, as necessary.
 - c. When calculating your quote for fees, be sure to factor in assistance to the City for the implementation of new GASB pronouncements.
 - d. Hourly rates for extra services.
 - e. Describe the circumstances under which you would propose to increase the fee shown above and how you would communicate such a potential increase to the City of Galena. The auditor and the City agree that an equitable adjustment in the contract price may be negotiated only if the cost or the time required for performance of the audit service is increased, pursuant to a change in scope requested by the City.

PAYMENT WILL BE MADE UPON RECEIPT OF PROGRESS BILLINGS WITH FINAL PAYMENT MADE AFTER RECEIPT OF AFR.

E. TIMELINESS OF REPORT

The annual audit shall be completed as soon as possible after the end of the fiscal year but no later than 150 days after the end of the fiscal year which expires on April 30.

F. MISCELLANEOUS

- (1) The City reserves the right to interview proposing firms, if necessary. Following the evaluation process, the City Council will consider the acceptance of the proposal recommended by the City Administrator and Finance Director.
- (2) The City of Galena reserves the right to negotiate with the lowest and/or best firm after proposal opening, after establishment of the low cost/responsible firm, before the contract is awarded and/or after contract award. The City of Galena reserves the right to negotiate the exact terms and conditions of the contract with the selected firm.
- (3) The City reserves the right, in its sole discretion, to accept or reject any proposals, to waive any irregularities or informalities in any proposal or in the proposal process, and to accept or reject any items or combination of items. The services will be awarded to the firm whose proposal best

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complies with the requirements set forth in this RFP and whose proposal, in the opinion of the City, is best, taking into consideration all aspects of the firm's response. The lowest bid will not necessarily be awarded the service contract.

- (4) Changes to this RFP may be made by and at the sole discretion of the City.
- (5) The City will not be liable for any expenses incurred in connection with the preparation of a response to this RFP.
- (6) No successful firm may assign any portion of the contractual agreement between the parties without prior written authorization by the City.
- (7) Warranties – The firm, in submission of its proposal, warrants to the City that it will comply with all applicable federal, state and local laws, ordinances, rules, regulations and orders in providing the services under the proposed documents. Lack of knowledge by the firm will in no way be a cause for relief from responsibility.

G. RFP INSTRUCTIONS

Any questions on the Request for Proposals shall be submitted via email or phone to the Finance Director at jschmidt@cityofgalena.org or 815-777-1050 by 3:00 PM Central Standard Time on January 23, 2024. Please include in the subject line "AUDIT RFP QUESTIONS". All questions and answers will be updated on the www.cityofgalena.org website under Departments – Engineering – Bid Documents on a weekly basis.

All proposals should be delivered by mail or in person in sealed envelopes clearly marked "2024 CITY OF GALENA AUDIT RFP" no later than 3:00 PM Central Standard Time on January 30, 2024, and addressed to:

City of Galena
Attn: Finance Director
101 Green St, PO Box 310
Galena IL 61036

Faxed or emailed proposals will not be accepted. The City of Galena will not be responsible for late mail deliveries, and no proposals will be accepted if received after the time stipulated in this RFP.

Proposals will be opened at the City at 3:00pm on January 30, 2024. The firm name and total fees as submitted will be read aloud. The lowest bid will not necessarily be awarded the service contract.

H. AUDIT RFP DISTRIBUTION LIST

1. Benning Group, LLC
50 W Douglas St # 300
Freeport IL 61032
jblocker@benninggroup.com

2. Miner, Gilroy and Meade, CPA, PC
11400 Highway 20 West
Galena IL 61036
michele.meade@mgmaccountants.com

3. O'Connor, Brooks & Co., P.C.
PO Box 294
Galena IL 61036
sroberts@oconnorbrooks.com

4. O'Connor, Brooks & Co., P.C.
PO Box 743
Dubuque IA 52004
jhannan@oconnorbrooks.com

5. Winkel, Parker & Foster, CPA PC
1301 19th Ave NW
Clinton IA 52732
rwinkel@wpf-cpa.com

6. Wipfli LLP
403 E 3rd St
Sterling IL 61081
dszidon@wipfli.com