

REQUEST FOR PROPOSAL

Independent Audit Services

For the Fiscal Years Ending

April 30, 2026 through April 30, 2030

PROPOSALS MUST BE RECEIVED BY

4:00 p.m. on April 3, 2026



Village of Vernon Hills

290 Evergreen Drive | Vernon Hills, Illinois 60061 | www.vernonhills.org | (847) 367-3700

Request for Proposal – Independent Audit Services

1. Invitation to Propose

The Village of Vernon Hills, Illinois is soliciting proposals from qualified certified public accounting firms to perform the annual audit of the Village’s financial statements.

The Village anticipates entering into an agreement with the selected firm for a five-year engagement, beginning with the audit of the fiscal year ending April 30, 2026, and continuing through the audit of the fiscal year ending April 30, 2030.

Proposers shall provide a separate itemized fee for each fiscal year included in the engagement period as outlined in Exhibit A – Fee Proposal.

Firms intending to submit a proposal are encouraged to notify the Village of their interest by contacting the Finance Director so they may be included in the distribution list for any responses to questions or RFP addenda.

2. Background Information

Village Overview

The Village of Vernon Hills is located in Lake County, Illinois, is a home-rule municipality, and operates under the Mayor–Trustee form of government. The Village has a population of approximately 26,850, a strong corporate and commercial base, and does not levy a municipal property tax. Major revenue sources include sales taxes, state income tax distributions, other intergovernmental revenues, and the local food and beverage tax.

The Village provides a range of municipal services including police protection, public works, community development, operation of a golf course, commuter parking facilities, and an athletic complex, as well as general administrative services.

Water and sewer services for Village residents and businesses are provided by Lake County; the Village does not operate its own water or sewer utility.

The Village maintains multiple governmental and enterprise funds, including three (3) Tax Increment Financing (TIF) Districts. The Village participates in the Illinois Municipal Retirement Fund (IMRF) and maintains a Police Pension Fund.

The Village receives state and federal grant funding for various projects and programs. While grant activity varies from year to year, the Village is occasionally subject to the requirements of a Single Audit under Uniform Guidance (2 CFR Part 200).

Additional information about the Village can be found in the most recent Annual Comprehensive Financial Report (ACFR) available on the Village’s website:

<https://www.vernonhills.org/DocumentCenter/View/11121/04-30-25-ACFRrev1?bidId=>

Finance Department

The Village’s Finance Department is responsible for accounting, financial reporting, budgeting, treasury management, payroll administration, vendor payments, revenue collection, and coordination of the annual independent audit.

The department is led by the Finance Director, a Certified Public Accountant with approximately 19 years of government audit and municipal finance experience, including eight years auditing state and local governments and nine years serving as a municipal finance director.

Accounting and financial reporting functions are supported through an outsourced staffing arrangement with the CPA firm, Lauterbach & Amen, LLP, which provides professional accounting personnel to the Village. Three staff members regularly support the Village’s finance operations, including one individual who has worked with the Village for approximately six years, providing continuity in financial reporting and audit preparation.

The Village utilizes Tyler Enterprise ERP (formerly Munis) as its general ledger and financial management system. The Village reported the following fund types and number of funds within each category as of the most recent Annual Comprehensive Financial Report (ACFR):

Fund Type	Number of Funds	Legally Adopted Budgets
General Fund	1	1
Special Revenue Funds (including 3 TIF Funds)	6	6
Capital Projects Funds	2	2
Enterprise Funds	2	2
Fiduciary Fund	1	*

* Full Police Pension Fund budget included in Budget Book for planning and informational purposes only.

The Village prepares supporting schedules and workpapers to facilitate an efficient audit process and works collaboratively with the independent auditors during planning and fieldwork.

3. Scope of Services

The selected firm shall conduct an audit of the Village’s basic financial statements in accordance with Generally Accepted Auditing Standards (GAAS) and applicable Governmental Accounting Standards Board (GASB) standards and reporting requirements.

When required by federal or state regulations, the audit shall also be performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States (“Yellow Book”), including any related compliance testing requirements.

The auditor shall perform the required limited procedures on Required Supplementary Information (RSI) in accordance with applicable auditing standards and report on such information as required.

The auditor shall:

- Express an opinion on the Village's basic financial statements.
- Evaluate internal controls over financial reporting as required under applicable auditing standards.
- Perform compliance testing as required under applicable professional standards.
- Provide recommendations through a management letter, if applicable.
- Communicate matters required under applicable auditing standards to those charged with governance.
- Present audit results and findings to the Village Board or Finance Committee.
- Be reasonably available during the contract period to respond to questions or provide guidance on accounting or audit-related matters.
- Respond to inquiries from successor auditors and make available workpapers related to matters of continuing audit and accounting significance in accordance with applicable professional standards.

Financial Reporting and Other Services

The Village currently prepares its Annual Comprehensive Financial Report (ACFR) internally. The Village reserves the right to determine at the time of contract execution whether the ACFR will be prepared by Village staff or by the selected auditor.

Proposers shall therefore:

- Provide pricing for audit services only, assuming the Village prepares the ACFR.
- Provide separate pricing for preparation of the ACFR, including the financial statements, notes, Required Supplementary Information, and other supplementary schedules necessary to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

Exhibit A – Fee Proposal requires proposers to separately identify the fee for audit services and the fee for preparation of the ACFR. If the Village elects to prepare the ACFR internally, the total contract price shall exclude the amount listed for ACFR Preparation Fee.

The auditor shall also:

- Prepare the Illinois State Comptroller's Annual Financial Report required under the Illinois Governmental Account Audit Act.
- Provide an in-relation-to opinion on the Consolidated Year-End Financial Report (CYEFR) submitted to the Illinois Office of the Comptroller.

- Prepare the Financial and Compliance Report for each TIF District as required under the Illinois Tax Increment Allocation Redevelopment Act.
- Assist with preparation of responses to Government Finance Officers Association (GFOA) review comments associated with the ACFR.
- Provide all deliverables in PDF format and print and bind up to twenty (20) copies of the Annual Comprehensive Financial Report.

The Village may request additional agreed upon services from time to time. Any such services shall be performed in accordance with applicable professional standards and must not impair the auditor's independence.

Nonattest Services

During the course of the engagement, the auditor may perform certain nonattest services, such as assistance with preparation of financial statements and related notes, preparation of adjusting journal entries, and preparation of schedules or reports required by regulatory agencies.

Such services shall be performed in accordance with applicable professional standards and, when required, the independence provisions of Government Auditing Standards.

Anticipated Audit Schedule (Preliminary and Final Fieldwork)

The Village anticipates the following general schedule for audit activities. Proposers may suggest modifications to this schedule as part of their proposed audit timeline.

<u>Date Range</u>	<u>Deliverable</u>
Late May/Early June	Preliminary Fieldwork
Mid July/Early August	Final Fieldwork
Late September/Early October	Draft Financial Statements
Early-Mid October	Final Audit Reports

Timeliness of Deliverables

Unless delayed by circumstances beyond the auditor’s control or by the Village, the following deliverables and presentations shall be provided by the auditor by the dates indicated below:

<u>Date</u>	<u>Deliverable</u>
September 30	TIF Reports for inclusion in the Village’s annual State TIF Report submission
October 27	Final ACFR including required independent auditor reports
October 27	State AFR prepared and submitted to the Illinois Office of the Comptroller
October 27	CYEFR in-relation-to opinion
October 27	Single Audit reports (if required)
October/November	Auditor presentation of audit results to the Village Board

4. Proposal Requirements

Proposals must include the following information:

- Firm history and qualifications, including the firm’s most recent Peer Review Report.
- Experience auditing Illinois municipalities or other governmental entities, including examples of similar engagements.
- Qualifications of the engagement partner and audit team. Include a brief biography for each proposed team member describing education, professional certifications, years of relevant experience, and examples of similar municipal audit engagements.
- Proposed audit approach and methodology.
- Proposed audit timeline and key milestones.
- Staffing plan, including the anticipated staffing structure for the engagement, the total estimated engagement hours, and the estimated percentage of total engagement hours by staff level, as outlined in the table below.

<u>Staff Level</u>	<u>Est. Total Hours</u>	<u>Est. % of Total Hours</u>
Partner/Manager	XXX	XX%
Senior/In-Charge Auditors	XXX	XX%
Staff Auditors	XXX	XX%
Total	XXX	100%

- Fee proposal exactly as outlined in **Exhibit A**. In addition, provide a schedule of hourly professional billing rates that may be used for additional services, if requested by the Village, as outlined in the Table below:

Staff Level	Hourly Rates				
	2026	2027	2028	2029	2030
Partner	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
Senior Manager/Manager	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
Supervisor/Senior	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
Staff Level	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX

- A statement confirming the firm’s independence with respect to the Village in accordance with applicable professional standards.
- A reference list of at least three Illinois municipal clients for which the firm has conducted audits within the past three years. Include the contact name, phone number, and email address for each reference. Preference will be given to references where members of the proposed engagement team participated in the audit. Please also indicate which referenced clients received the GFOA Certificate of Achievement for Excellence in Financial Reporting for their ACFR.

5. Evaluation Process and Timeline

Evaluation Process

Proposals will be evaluated based on the following criteria:

- Experience auditing Illinois municipalities or other governmental entities, including familiarity with Illinois municipal reporting and compliance requirements such as:
 - Illinois Municipal Retirement Fund (IMRF) reporting
 - Police Pension fund reporting
 - Tax Increment Financing (TIF) compliance reporting
 - Illinois State Comptroller reporting, including the Annual Financial Report (AFR) and Consolidated Year-End Financial Report (CYEFR)
 - Preparation or review of Annual Comprehensive Financial Reports submitted to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program
- Qualifications of the engagement partner and proposed audit team
- Proposed audit approach, methodology, and timeline
- Proposed staffing plan

- Proposed fees
- References from similar municipal clients

The Village may invite selected firms to participate in interviews as part of the evaluation process. The Village reserves the right to negotiate final contract terms with the selected firm.

Procurement Timeline

The Village anticipates the following schedule for the selection of an independent auditor. The Village reserves the right to modify this schedule as necessary.

<u>Date</u>	<u>Milestone</u>
March 6, 2026	RFP Issued
March 20, 2026	Deadline for Questions
March 27, 2026	Responses to Questions Issued
April 3, 2026 4:00 p.m.	Proposal Submission Deadline
Week of April 6, 2026	Proposal Review
Weeks of April 6 and April 13, 2026	Interviews (if necessary)
Week of April 13, 2026	Selection of Auditor and Draft Contract
April 21, 2026	Village Board Approval

Questions and Clarifications

Questions regarding this Request for Proposal must be submitted via email no later than March 20, 2026.

All questions shall be directed to:

Thomas Lyons
Finance Director
Email: thomasl@vhills.org

Firms intending to submit a proposal are encouraged, but not required, to notify the Village of their interest by emailing the contact listed above. Firms that provide notice of interest will be included on the distribution list for responses to questions and any addenda issued for this Request for Proposal.

It is the responsibility of each proposer to ensure that they have received all addenda issued for this Request for Proposal prior to submitting their proposal.

Except for the contact person listed above, proposers shall not contact Village officials, staff, or elected officials regarding this RFP.

6. Proposal Submission

Proposals must be submitted no later than:

Date: April 3, 2026

Time: 4:00 p.m.

One complete electronic document in .PDF format including all required information shall be submitted **via email** to:

Thomas Lyons

Finance Director

Email: thomasl@vhills.org

Proposers are responsible for ensuring proposals are received by the deadline. The Village is not responsible for delays in email transmission. Proposers are also responsible for confirming that all proposal materials are complete, readable, and successfully transmitted.

Proposals received after the stated deadline will not be considered.

Proposals shall remain valid for a period of ninety (90) days from the proposal submission deadline.

7. Reservation of Rights

The Village reserves the right to:

- Issue addenda to clarify or modify the RFP
- Reject any or all proposals
- Waive minor irregularities in proposals received
- Request additional information from proposers
- Negotiate final contract terms with the selected firm
- Cancel this Request for Proposal or reissue the solicitation

All costs incurred by proposers in preparing and submitting a proposal, or in participating in interviews or negotiations, shall be the sole responsibility of the proposer.

Contract Award

The selection of a proposer through this Request for Proposal process does not constitute a binding contract. The selected firm will be required to enter into a professional services agreement with the Village setting forth the final scope of services, compensation, and other contractual terms consistent with this Request for Proposal and the selected firm's proposal. Any agreement resulting from this Request for Proposal shall be subject to approval by the Village Board of Trustees.

If an agreement cannot be reached with the selected firm, the Village reserves the right to negotiate with the next highest ranked proposer or to terminate the procurement process.

Termination for Convenience

The Village may terminate the agreement without cause upon written notice provided no later than November 30 preceding the next audit cycle.

Termination for Cause

The Village may terminate the agreement for cause if the auditor fails to perform services in accordance with applicable professional standards or contractual obligations. The Village shall provide written notice of the deficiency and allow the auditor thirty (30) days to cure such deficiency.

In the event of termination, the auditor shall be compensated for services satisfactorily performed through the effective date of termination.

Public Records/FOIA

Proposals submitted in response to this Request for Proposal may be subject to disclosure under the Illinois Freedom of Information Act (5 ILCS 140).

Proposers that believe portions of their proposal contain trade secrets or proprietary information must clearly identify those portions and provide a written explanation of the basis for exemption under FOIA. Blanket designations of confidentiality for entire proposals will not be honored.

The Village will make the final determination regarding the disclosure of proposal materials in accordance with applicable law.

Proposers shall provide a fixed annual fee for each fiscal year covered by the engagement for the services identified below. Fees shall represent the maximum annual amount (“not to exceed”) the Village will pay for the services identified for each fiscal year unless additional services are authorized in writing by the Village.

For a proposal to be eligible for evaluation, the following fee proposal format **must be used** by proposing firms.

Service Component	FY2026	FY2027	FY2028	FY2029	FY2030
Audit Fee (excluding ACFR preparation)					
ACFR Preparation Fee					
TIF Report Fee (Per TIF District)					
Assumed Number of TIF Districts	3	3	1	1	1
Total TIF Report Cost (Fee x number of TIFs)					
CYEFR Opinion					
State AFR (Preparation and Submission)					
Single Audit (if required)					
Total Fees (Not to Exceed)					

Proposer Notes

1. The Village anticipates a five-year engagement beginning with the audit of the fiscal year ending April 30, 2026.
2. The Audit Fee shall include all services required to perform the annual audit of the Village’s financial statements as described in the Scope of Services, excluding preparation of the ACFR.
3. The Audit Fee must assume the Village prepares the ACFR internally. Any assistance with preparation of the ACFR must be reflected only in the ACFR Preparation Fee line.

4. The ACFR Preparation Fee shall include preparation of the financial statements, notes, Required Supplementary Information, and other supplementary schedules necessary to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.
5. The Village currently maintains three (3) Tax Increment Financing (TIF) Districts. Proposers shall provide the fee per TIF District. For purposes of calculating the Total Fees shown above, proposers shall assume the number of TIF districts listed. If the number of TIF Districts changes during the term of the agreement, the fee will be adjusted based on the per-TIF rate proposed.
6. The CYEFR Opinion refers to the in-relation-to opinion on the Consolidated Year-End Financial Report submitted to the Illinois Office of the Comptroller.
7. The State AFR refers to preparation and submission of the Illinois State Comptroller Annual Financial Report required under the Illinois Governmental Account Audit Act. If the Village elects to prepare and submit the State AFR internally, the total contract price shall exclude the fee amount listed for the State AFR.
8. The Single Audit fee shall represent a not-to-exceed amount that will apply only if federal expenditures require the Village to undergo a Single Audit under Uniform Guidance (2 CFR Part 200).
9. If the Village elects to prepare the ACFR internally, the total contract price shall exclude the amount listed for ACFR Preparation Fee.
10. All fees shall include all labor, supervision, travel, and administrative costs necessary to perform the services described unless otherwise noted.