Request for Proposal
ANNUAL AUDIT AND CAFR PREPARATION

The City of Mt. Vernon, Illinois is requesting proposals for the preparation of the City's Comprehensive Annual Financial Report (which includes the annual audit) for the fiscal year ending April 30, 2027, with an option to renew for another three (3) years at the end of the term.

Description of City and Record to be Audited

General Information

The City of Mt. Vernon, Illinois is a Home-Rule unit of local government located in Jefferson County, Illinois at the crossroads of Interstates 57 and 64. It is about one hour east from St. Louis, one hour west of Evansville, Indiana, one hour south of Effingham, IL, and 45 minutes north of Marion, IL. Mt. Vernon is governed by a City Manager form of Government and was incorporated on June 7, 1819. Pursuant to Chapter 65, Section 5/11-12-5(1) of the Illinois Compiled Statutes, the City of Mt. Vernon has adopted a Comprehensive Plan entitled "Your Vision, Our Mission!" to guide the present and future development of the City for ten years (2022-2032). Being located at the convergence of two interstates, the city benefits from commerce from the interstate traffic, several truck stops, 1,100 hotel/motels rooms, many restaurants, and typical retail. The City's largest revenue source is sales tax: Retailers Occupation Tax and Home Rule Sales Tax.

The City's General Fund Budget for FY 2026-2027 is $41,088,057 with a proposed fund balance as of April 30, 2027, of $19,654,229. The total City-wide budgeted expenditures for fiscal year ending April 30, 2027, are $95,757,572. The city maintains multiple special revenue funds with the revenues earmarked for specific purposes and are not used for general operating purposes. The city has four proprietary funds whose operating expenses are intended to be funded by their operating revenues. The proprietary funds are sanitation fund, water fund, and sewer fund. The city maintains a self-insurance fund considered an internal service fund that is treated as a proprietary fund.

The city purchases water from the Rend Lake Conservancy District and the City manages the distribution in Mt. Vernon and sells water to six other water districts. The City owns a sewer treatment plant and has contracted with Veolia to manage the plant and maintains 16 lift stations. The city has approximately 7,000 utility customers billed monthly. Utility bills include fees for garbage collection which is contracted to Republic Services. The city's departments operate from several locations; City Hall located at 1100 Main Street, 1 police station, 3 fire stations, parks, public works, fleet services, water, sewer and tourism. The parks department oversees multiple parks within the city. The city owns two lakes and two reservoirs. The city has an aggressive utility infrastructure program which is financed through IEPA loans, state and federal grants, and sales taxes. Annual budgets and audits are on the City's website www.mtvernon.com/city-government/city-finances.

In 2020, the City refunded bonds to refinance debt and issued additional bonds for road projects, a new post office, and a new police station. In 2026, the city issued bonds for the construction of a new recreational center. The city is currently in the design phase of the rec center.

The City of Mt. Vernon's population has seen a small but steady decline over the past few decades. From 1990 to 2000, the City's population decreased by 4.23% (16,988 down to 16,269). The population decreased another 6.1% (16,269 down to 15,277) between 2000 and 2010. According to the 2020 Census, the population of the City of Mt. Vernon is now at 14,600, down an additional 4.64% in the past 10 years. Since 1990, the city has experienced an overall population decline of 14.06%. Mt. Vernon's daily population increases an additional 9,021 people due to commuting for work. The total employees in Jefferson County: 16,090

The City of Mt. Vernon employs about 152 full time employees and about 80 seasonal employees. Employees are paid on a biweekly basis. The city has six bargaining units. Retirees hired before 1987 are entitled to health insurance benefits paid 100% by the City of Mt. Vernon which requires a line item for deferred pensions and OPEB charges.

Accounting System

The city currently uses Tyler Incode 10 for accounting, payroll and utility billing.

CAFR Requirements

The auditing firm is required to prepare the Introductory Section, Financial section (which includes notes to the financial statements), statistical section, and the Single Audit section. The City will be responsible for preparing the Management Discussion and Analysis narrative portion of the financial section. The auditing firm will provide the numbers for the MD&A through the statement. The auditing firm will be responsible for its inclusion of that document in the report. The auditing firm will be responsible for typesetting and compiling the final draft of the CAFR.

The auditing firm will be responsible for preparing and submitting the Annual Financial Report to the Illinois Comptroller and the Single Audit (if required) to the Federal Audit Clearinghouse.

Audit requirement

The audit (included as part of the CAFR) shall include examinations of the financial and other records of various departments and funds of the City in accordance with generally accepted government auditing standards for financial and compliance audits. The auditor will also be responsible for the issuance of a Single Audit report if required.

The auditors may commence the examination after the end of the Fiscal Year 2027 (April 30, 2027) and generally has begun by the end of June following the end of the fiscal year. The City is requesting the audit of the pension plans be completed and draft financial statements for those pension plans be submitted to the City's Actuaries no later than July 1st of each year. The City also requests the audit be completed and final reports issued by October 31st each year. During the audit, the auditors will be required to meet with the Finance Director to discuss each adjusting journal entry and management comments as they arise during the audit. The Finance Director should approve/deny all adjusting journal entries. Upon completion of the audit, a post-audit conference with the Finance Director to review the CAFR that include the financial statement, notes, and compliance reports, statistical and introductory sections will be held no later than October 31st each year. A review of the final report of comments and recommendations (prepared under a separate cover) will be discussed with the Finance Director no later than October 31st each year. A presentation of 10 (ten) copies of the Comprehensive Annual Financial Annual Report and Presentation to the City Council shall be made no later than November 30th of each year.

A copy of the CAFR and Audit are available on the City's website at www.mtvernon.com/city-government/city-finances.

Presentations concerning the audit shall be made to the City Council as needed.

Reports Required

The following are required for completion of the CAFR:

A Comprehensive Annual Financial Report, which includes a report of the examination of the financial statements for the City of Mt. Vernon, Illinois including all accounts and funds. The financial statements and notes to the financial statement will be prepared by the auditor. The CAFR should also include the Introductory and Statistical Sections prepared by the audit firm, but with the help of city staff. A report of internal control and compliance in accordance with the Single Audit Act.

FORM OF PROPOSAL

Use of City Facilities and Personnel

The city will provide an adequate work area for the auditing staff. City staff will be available to answer questions and for consultation as needed to expedite the audit fieldwork.

Proposal Requirements:

1. Describe your firm's approach to conducting the audit examination, including your understanding of the scope of the services to be provided and the reports and documents required. It should indicate the approximate date the audit will begin and end (including any preliminary fieldwork). Include a copy of your firm's most current peer review report.

2. Describe the governmental experience of your firm including the specific details regarding experience in the preparation of a Comprehensive Annual Financial Report.

3. Provide a list of at least three municipal government references where your firm has conducted an audit in the past 24 months. This list should indicate the names and telephone numbers of officials in the other municipalities that may be contacted.

4. Number and level of staff to be assigned to the City's audit. Biography of the Partner assigned to the City's audit should be included.

5. Fees. The City requires a firm fixed fee for the audit service listed below. Years 2028 – 2030 are optional years if the City and the Selected Proposed choose to renew.

5.1 CAFR/audit for the year ending April 30, 2027
5.2 Single Audit for the year ending April 30, 2027
5.3 Firefighter pension audit for the year ending April 30, 2027
5.4 Police pension audit for the year ending April 30, 2027

5.5 CFR/Audit for the year ending April 30, 2028
5.6 Single Audit for the year ending April 30, 2028
5.7 Firefighter pension audit for the year ending April 30, 2028
5.8 Police pension audit for the year ending April 30, 2028

5.9 CFR/Audit for the year ending April 30, 2029
5.10 Single Audit for the year ending April 30, 2029
5.11 Firefighter pension audit for the year ending April 30, 2029
5.12 Police pension audit for the year ending April 30, 2029

5.13 CFR/Audit for the year ending April 30, 2030
5.14 Single Audit for the year ending April 30, 2030
5.15 Firefighter pension audit for the year ending April 30, 2030
5.16 Police pension audit for the year ending April 30, 2030

Presentation of Proposals

An envelope sealed and marked "CAFR/Audit Proposal with three (3) copies of your proposal should be received by **the City Clerk at 1100 Main Street, Mt. Vernon, Illinois 62864 on or before 5 p.m. (CST) on September 30, 2026. Electronic copies are encouraged and can be emailed to** cityclerk@mtvernon.com**. One electronic copy is acceptable.**

Evaluation and Award of Contract

The Selection committee will review all proposals and will select the proposal that is a combination of the lowest fee and best qualifications. The Finance Director will then recommend the selected firm to the City Council at the October 19, 2026 City Council Meeting.

Questions can be submitted for clarification of the RFP by September 23, 2026. An amendment to this RFP detailing each question asked and the City's answer will be emailed to all inquiries and posted on the City's website at www.mtvernon.com. **Questions can be submitted to the Finance Director at financedirector@mtvernon.com . Please note that questions will not be answered on an individual basis; only via an amendment by the City.**

The City of Mt. Vernon, Illinois reserves the right to reject any or all proposals submitted and to request additional information.

The City of Mt. Vernon budget and latest audit can be found on www.mtvernon.com/city-government/city-finances.

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