



Memorandum

To: Mayor Nelson and Members of the City Council
From: Daniel R. Buchholtz, ICMA-CM, Administrator, Clerk/Treasurer
Date: September 16, 2026
Subject: Request for Proposals – Professional Auditing Services

Staff is requesting authorization to issue a Request for Proposals for professional auditing services beginning with the fiscal year ending December 31, 2026. The City last conducted an RFP for independent annual audit services in September 2013. The proposed RFP provides for an initial five-year engagement covering fiscal years 2026 through 2030, with the option to extend the engagement for up to five additional one-year periods through 2035.

The RFP generally reflects the audit services the City currently receives, including the annual financial statement audit, Government Auditing Standards reporting, Minnesota legal compliance work, preparation of the annual financial statement report, Office of the State Auditor reporting, communication of audit findings and recommendations, and presentation of the audit to the City Council. The RFP also requires separate pricing for a federal Single Audit if one is required during the engagement.

A key objective is timely completion of the annual audit. For the 2026 fiscal year, the RFP calls for draft financial statements and audit reports by May 31, 2027, completion of the final report by June 9, and presentation to the City Council on June 21, with all required reporting submitted to the Office of the State Auditor by June 30.

Proposals will be evaluated based on the firm's governmental audit experience, qualifications and continuity of the proposed engagement team, audit approach and ability to meet the City's schedule, peer review and references, and price and overall value. Staff will review the proposals, conduct interviews if necessary, and return to the City Council with a recommendation for selection of an audit firm.

Staff Recommendation: Authorize issuance of the Request for Proposals for Professional Auditing Services substantially in the form presented.

If you have any questions, please do not hesitate to contact me at 763-784-6491.