REQUEST FOR PROPOSALS

PROFESSIONAL AUDITING SERVICES

SEPTEMBER 2026

City of Spring Lake Park
1301 81st Avenue NE
Spring Lake Park, MN 55432

763-784-6491
www.springlakeparkmn.gov

Primary Contact
Daniel R. Buchholtz, City Administrator, Clerk-Treasurer
dbuchholtz@springlakeparkmn.gov

PROPOSALS DUE: 4:30 P.M., FRIDAY, OCTOBER 16, 2026

I. Introduction and General Information

A. Purpose

The City of Spring Lake Park (City) is requesting proposals from qualified firms of certified public accountants to provide independent annual audit services for the fiscal years ending December 31, 2026, 2027, 2028, 2029 and 2030, with the option to extend the engagement for up to five additional one-year periods through the fiscal year ending December 31, 2035.

The City intends to select a firm that demonstrates strong Minnesota local-government audit experience, a qualified and stable engagement team, a practical audit approach, timely completion, responsive communication, and overall value. Price is an important consideration, but it will not be the sole determining factor.

Issuance of this RFP is part of the City's periodic review of professional services and should not be interpreted as an indication of disagreement with the City's current or prior auditors. The last time the City went out for RFP for independent annual audit services was September 2013.

B. Term of Engagement

The City anticipates an initial five-year engagement covering fiscal years 2026 through 2030. Subject to satisfactory performance, mutual agreement on terms and fees, City Council concurrence, and annual availability of appropriations, the City may extend the engagement for fiscal years 2031, 2032, 2033, 2034 and 2035. Each extension will be at the sole discretion of the City.

The City may terminate the engagement or solicit proposals before the end of the contemplated term if performance is unsatisfactory, if the parties cannot agree on future terms, or if the City determines that doing so is in its best interest.

C. Submission Instructions

One electronic proposal in searchable PDF format must be received by 4:30 p.m. Central Time on Friday, October 16. Proposals should be emailed to:

Daniel R. Buchholtz, Administrator, Clerk/Treasurer
Email: dbuchholtz@springlakeparkmn.gov
Subject line: 2026 Audit Services Proposal

Electronic receipt by the City before the deadline is the responsibility of the proposer. Paper copies are not required. Proposals received after the deadline may be rejected.

D. Questions and Addenda

Questions concerning this RFP must be submitted in writing to Daniel R. Buchholtz at the email address above no later than 4:30 p.m. on Wednesday, October 7, 2026. In the interest of a fair process, proposers should not contact individual City Councilmembers or other City staff regarding the RFP except as directed by the Administrator, Clerk/Treasurer.

The City may issue written addenda or responses to material questions. Any such information will be provided to known prospective proposers and may be posted on the City website. Proposers are responsible for considering all issued addenda in preparing their proposals.

E. General Conditions

- The City is not obligated to reimburse any firm for costs incurred in preparing a proposal, participating in interviews, or negotiating a contract.
- The City reserves the right to reject any or all proposals; waive minor irregularities or informalities; request clarification or additional information; conduct interviews; negotiate the scope, terms, or price with one or more firms; and select the proposal determined to be in the City's best interest.
- Submission of a proposal constitutes acknowledgment of the requirements of this RFP, except for deviations clearly identified in the proposal.
- No engagement is binding until approved by the City Council and memorialized in an executed agreement or engagement letter acceptable to the City.
- Proposal data will be handled in accordance with the Minnesota Government Data Practices Act, including Minn. Stat. Section 13.591. Proposers should clearly identify any information they believe qualifies as trade secret data under Minnesota law, recognizing that a proposer's designation alone does not determine the legal classification of the data.

II. Nature of Services Required

A. General Scope

The selected firm will perform an annual independent audit of the City's financial statements and related records and provide the reports, communications, filings, and assistance described in this RFP. The audit must encompass the City's governmental activities, business-type activities, each major fund, and aggregate remaining fund information, together with required supplementary and supplementary information as applicable.

The auditor will be expected to coordinate its work with City staff, minimize disruption to City operations, communicate issues promptly, and meet the annual completion schedule stated in this RFP.

B. Auditing and Accounting Standards

The audit shall be performed in accordance with all standards and requirements applicable to the engagement, including, as applicable:

- Auditing standards generally accepted in the United States of America (GAAS), including applicable standards issued by the American Institute of Certified Public Accountants (AICPA);
- Government Auditing Standards issued by the Comptroller General of the United States (2024 Revision, and any applicable successor revisions);
- The Single Audit Act, as amended, and 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, when a Single Audit or program-specific audit is required;

- The Minnesota Legal Compliance Audit Guide for Cities and other minimum procedures prescribed by the Minnesota Office of the State Auditor pursuant to Minn. Stat. Section 6.65;
- Accounting principles generally accepted in the United States of America applicable to state and local governments, including applicable pronouncements of the Governmental Accounting Standards Board (GASB); and
- Any other federal or state audit requirements applicable to the City or to specific grant programs.

C. Financial Statement Audit and Reports

At a minimum, the selected auditor shall provide the following services and deliverables each year; as applicable:

1. Express the appropriate audit opinions on the City's basic financial statements in conformity with accounting principles generally accepted in the United States of America.
2. Perform the procedures required by GAAS on required supplementary information and audit or apply appropriate procedures to supplementary information, as required by applicable standards.
3. Issue all reports required by Government Auditing Standards regarding internal control over financial reporting, compliance, and other matters.
4. Perform the procedures required by the current Minnesota Legal Compliance Audit Guide for Cities and provide the required reporting, which may be combined with other Government Auditing Standards reporting when permitted by applicable standards.
5. Communicate significant deficiencies, material weaknesses, material noncompliance, audit adjustments, uncorrected misstatements, significant estimates, difficulties encountered, disagreements with management, and other matters required by professional standards to management and those charged with governance.
6. Provide a management letter or other written communication identifying recommendations, control observations, operational concerns, or opportunities for improvement that merit management attention, including items that do not rise to the level of a reportable finding.
7. Provide an update on the disposition of prior-year findings and recommendations.
8. Prepare and include in the annual financial report, when applicable, a Summary Schedule of Prior Audit Findings and a Schedule of Findings and Responses. The auditor shall coordinate with City management regarding preparation and inclusion of any required Corrective Action Plan.
9. Immediately notify the City Administrator of suspected fraud, illegal acts, significant irregularities, or other matters requiring prompt attention under applicable professional standards.
10. Present the annual audit results to the City Council in person unless the City agrees to another format. The presentation should be understandable to a policy-making audience and should summarize the audit opinion, findings, internal-control matters, significant financial trends, and other matters the auditor believes the Council should understand.

D. Financial Statement and Report Preparation

The City requests that the selected firm prepare the City's complete annual financial statement report from the City's accounting records and management-provided schedules, including the basic financial statements, notes, required supplementary information, combining and individual fund statements and schedules, and other report components customarily included in the City's annual financial statements. The City will provide management's discussion and analysis or the underlying information necessary for its preparation, as agreed with the selected firm.

Financial statement preparation will be treated as a nonattest service performed in accordance with applicable independence standards. City management will remain responsible for the financial statements, accounting policies, judgments, and the oversight and acceptance of any nonattest services performed by the auditor.

The final deliverable shall include a complete, searchable, bookmarked PDF suitable for posting on the City website and filing with the Office of the State Auditor. Editable electronic schedules or supporting files reasonably requested by the City shall also be provided. No routine paper copies are required, although the auditor shall provide up to two bound copies upon request at no additional charge.

E. Office of the State Auditor Reporting

The auditor shall prepare, complete, and assist the City with submission of the annual City Financial Reporting Form and other audit-related filings required by the Minnesota Office of the State Auditor. The auditor shall coordinate with the City to ensure that the audited financial statements and required reporting are filed no later than the applicable statutory or administrative deadline. For a City reporting on a GAAP basis, the current annual filing deadline is June 30.

F. Single Audit and Federal Awards

The City periodically receives federal grant funding and may be subject to a Single Audit in one or more years of the engagement. If the City is required to undergo a Single Audit, the selected firm shall perform the required audit as an additional service in accordance with the Single Audit Act, Government Auditing Standards, and 2 CFR Part 200, Subpart F.

The City will prepare the Schedule of Expenditures of Federal Awards (SEFA), with reasonable technical assistance from the auditor consistent with applicable independence standards. The auditor shall perform the procedures required by 2 CFR Part 200 and issue all required auditor reports, including the auditor's opinion on the SEFA in relation to the financial statements as a whole, the report on compliance for each major federal program and internal control over compliance, and the Schedule of Findings and Questioned Costs, as applicable.

The auditor shall complete the portions of the Federal Audit Clearinghouse data collection process for which the auditor is responsible and shall assist the City in timely electronic submission of the reporting package to the Federal Audit Clearinghouse. The City will remain responsible for the auditee portions of the submission, including the SEFA, Summary Schedule of Prior Audit Findings, and Corrective Action Plan, as applicable.

Single Audit fees shall be stated separately in Appendix B for the first major federal program and each additional major federal program. No Single Audit fee shall be charged in a year in which a Single Audit is not required or authorized by the City.

G. Technical Consultation and New Standards

The City expects the selected firm to serve as a technical resource during the engagement. The base audit fee should include reasonable consultation with City staff regarding accounting, financial reporting, audit, and regulatory matters directly related to the annual engagement, including advance notice and practical guidance concerning new GASB pronouncements and changes in auditing or reporting requirements.

If implementation of a new standard requires substantial work outside the normal audit engagement, the firm shall identify the anticipated work and obtain written City authorization before performing separately billable services.

H. Working Papers, Records and Successor Auditor Access

All working papers and reports shall be retained by the auditor, at its expense, for at least six years after completion of the applicable audit, or longer when required by law, professional standards, grant requirements, litigation hold, or written notice from the City.

The auditor shall make relevant working papers available, upon reasonable request and subject to applicable professional and legal restrictions, to the City, the Minnesota Office of the State Auditor, federal cognizant or oversight agencies, the U.S. Government Accountability Office, and other authorized governmental or quality-review bodies. The firm shall also respond to reasonable inquiries from a successor auditor and permit review of working papers relating to matters of continuing accounting significance.

I. Data Practices and Information Security

The selected firm will receive access to government data that may include not-public information. The firm shall comply with applicable provisions of the Minnesota Government Data Practices Act and all other laws governing the data provided by the City. The firm shall use the data solely for purposes of the engagement and shall protect it from unauthorized access, use, or disclosure.

The firm must use secure methods for the transfer and storage of sensitive City information. Proposals shall describe the firm's secure client portal or comparable file-transfer process, encryption practices, access controls, and procedures for notifying clients of confirmed or suspected data-security incidents. Sensitive City data shall not be transmitted through unsecured email when a secure method is reasonably available.

J. Subcontracting

No material portion of the engagement may be subcontracted without the City's prior written approval. Any approved subcontractor shall be subject to the same confidentiality, data-security, independence, professional, and performance requirements applicable to the selected firm.

III. Description of the City

A. General Background

Spring Lake Park is a fully developed Twin Cities metropolitan-area community located in Anoka and Ramsey Counties. The City is a Minnesota statutory Plan A city governed by a Mayor and four Councilmembers elected at large. The City has a population of approximately 7,100 and encompasses approximately 2.1 square miles.

Major City functions include Administration and Finance, Police, Public Works, Parks and Recreation, Community Development and code-related services, and utility operations. The City currently has 31 FTEs. Fire protection is provided through a contract with the Spring Lake Park-Blaine-Mounds View Fire Department. The City operates utility services including water, sanitary sewer, and storm water functions. S&P has assigned a AA rating for city debt instruments.

B. Financial Operations and Systems

The City's fiscal year is the calendar year. Financial transactions are processed through BS&A Cloud, including general ledger and related financial functions. City staff performs routine accounting, payroll, accounts payable, cash receipting, utility billing, budgeting, and financial management functions. The City does not maintain a separate internal audit function.

The City participates in pension plans administered by the Public Employees Retirement Association of Minnesota (PERA), including plans applicable to general employees and public safety employees.

C. City Contacts

Name	Title	Contact
Daniel R. Buchholtz	City Administrator, Clerk-Treasurer	763-784-6491 | dbuchholtz@springlakeparkmn.gov
Melissa Barker	Accountant	763-792-7214 | mbarker@springlakeparkmn.gov

D. Prior Financial Reports and Other Information

The City's most recent audited financial statements, current budget documents, and other financial information will be made available on the City website or upon request. Prospective firms are encouraged to review these documents in preparing their proposals. The selected firm will be provided reasonable access to prior-year audit documentation in accordance with professional standards and the cooperation of the predecessor auditor.

The City has received and continues to pursue federal and state grant funding for infrastructure, community facilities, and other programs. The mix and amount of federal expenditures can vary significantly from year to year.

IV. Time Requirements

A. Anticipated RFP Schedule

Milestone	Date
City Council authorization to issue RFP	September 21, 2026
RFP issued	September 22, 2026
Deadline for written questions	October 7, 2026, 4:30 p.m.
Proposals due	October 16, 2026, 4:30 p.m.
Interviews, if necessary	Week of November 2, 2026
Anticipated City Council selection	November18, 2026

B. 2026 Fiscal Year Audit Schedule

The City's principal scheduling objective is to complete the annual audit well before the June 30 state filing deadline and to avoid substantial overlap with preparation of the following year's City budget. The proposer must affirm its ability to meet the following schedule or identify a proposed schedule that provides an equal or earlier completion date:

- Planning/entrance meeting: by December 15, 2026, or another mutually agreed date soon after engagement.
- Detailed audit plan and complete prepared-by-client (PBC) request list: no later than January 15, 2027. The firm should identify schedules that can be prepared in advance and distinguish interim requests from year-end requests.
- Interim work: December 2026 through February 2027, as appropriate and mutually scheduled.
- Final fieldwork: principally during March and April 2027. Earlier completion is preferred. The City will coordinate record availability with the selected firm.
- Draft financial statements, audit reports, and proposed findings: to City management no later than May 31, 2027.
- Resolution of comments and final report: targeted for June 9, 2027.
- Presentation to City Council: Monday, June 21, 2027, unless another date is mutually agreed.
- Submission to the Minnesota Office of the State Auditor: no later than June 30, 2027, and earlier if practicable.

A substantially similar schedule will apply in subsequent years, adjusted for the calendar. The selected firm is expected to maintain sufficient staffing to meet the agreed schedule. Any anticipated delay shall be communicated to the Administrator, Clerk/Treasurer and Accountant promptly, together with a recovery plan.

V. City Assistance and Auditor Responsibilities

A. City Staff Assistance

City staff will provide reasonable assistance by preparing agreed schedules, providing electronic records and supporting documentation, responding to inquiries, preparing confirmations as requested by the auditor, and making responsible personnel available for interviews and explanations. The City expects the selected firm to provide a complete, organized PBC list early enough to allow staff to plan the work efficiently.

B. Work Location and Technology

The City is open to an efficient hybrid audit approach. Proposers should describe the anticipated mix of on-site and remote work and identify any technology or access assumptions. When on-site work is performed, the City will provide reasonable workspace and internet access. The City values direct engagement by the partner and manager at key points in the audit, regardless of where routine testing is performed.

C. Communication Expectations

The engagement partner or manager should maintain regular communication with the City Administrator and Accountant throughout the audit. Potential findings, proposed adjustments, scope changes, schedule issues, or unexpected fees should be discussed when identified rather than first presented at the end of the engagement.

D. Independence and Nonattest Services

The selected firm must maintain independence throughout the engagement in accordance with all applicable professional standards. The proposal shall identify any existing or recent professional relationship with the City that could bear on independence or create an actual or perceived conflict of interest. Any nonattest service must be structured so that the City retains all management responsibilities and the auditor remains independent.

VI. Proposal Requirements

Proposals should be concise and directly responsive to this RFP. Elaborate marketing materials are not necessary. The City prefers a proposal organized in the following order:

A. Transmittal Letter

A signed letter briefly stating the firm's understanding of the engagement, commitment to the proposed schedule, identification of the individual authorized to bind the firm, and confirmation that the proposal will remain valid for at least 90 days after the proposal deadline.

B. Independence and License to Practice

An affirmative statement that the firm is independent of the City under applicable professional standards and that the firm and key assigned professionals are properly licensed to practice in Minnesota. Disclose any professional relationship with the City during the past five years and explain why it does not impair independence.

C. Firm Qualifications and Governmental Audit Experience

Describe the firm, the office that will perform the work, the size and experience of the governmental audit practice, and the firm's experience auditing Minnesota cities of comparable size and complexity. Describe the firm's experience with Government Auditing Standards, Minnesota legal compliance audits, federal Single Audits, PERA-related reporting, utility enterprise activities, debt, capital projects, and implementation of new GASB standards.

D. Peer Review, Quality and Regulatory History

Provide the firm's most recent peer review report and any related letter of comments. State whether governmental engagements subject to Government Auditing Standards were included in the peer review. Disclose any material federal or state desk or field review findings and any disciplinary action taken or pending against the firm during the past three years, together with the current status.

E. Engagement Team

Identify the engagement partner, manager, supervisors, specialists, and other key personnel proposed for the City. Provide relevant governmental audit experience, years with the firm, professional licenses, and relevant continuing professional education. Clearly identify the individuals expected to be involved on a recurring basis rather than providing only generic firm resumes.

F. Staff Continuity

Describe how the firm will maintain continuity of key engagement personnel. The City expects reasonable continuity of the engagement partner and manager. After award, replacement of the engagement partner or manager for reasons other than departure from the firm, promotion, extended leave, or similar circumstances will require prior notice to and consultation with the City. Replacement personnel must have substantially equivalent or better qualifications.

G. Similar Engagement and References

Provide three to five current or recent Minnesota local-government audit clients comparable to Spring Lake Park. For each, identify the scope of services, years served, engagement partner or manager, client contact, telephone number, and email address. The City may contact any listed reference and may consider its own prior experience with a proposing firm.

H. Audit Approach and Work Plan

Describe the proposed audit approach, including planning and risk assessment, use of analytical procedures and sampling, approach to internal control and compliance testing, use of technology and data analytics, treatment of federal awards, proposed on-site/remote mix, expected City staff assistance, secure file transfer, communication practices, and the timing and staffing of each major phase. Identify any anticipated audit challenges and the firm's approach to resolving them.

I. Schedule Commitment

Affirm the firm's ability to meet the schedule in Section IV. Identify any requested modifications and explain how the proposed schedule would still meet the City's objective of completing the audit before budget preparation becomes a significant competing workload.

J. Financial Statement Preparation and Technical Assistance

Describe the firm's approach to preparation of the annual financial statement report, implementation of new accounting standards, routine technical consultation, and preparation/assistance with OSA filings and, when applicable, the auditor portions of Single Audit and Federal Audit Clearinghouse reporting. Clearly identify any services the firm considers outside the base audit fee.

K. Information Security

Describe the systems and safeguards used to receive, store, access, and transmit City data, including the secure client portal or equivalent platform, encryption, access controls, multi-factor authentication where used, retention/disposal practices, and incident response/client notification procedures.

L. Fee Proposal

Complete Appendix B. The fee proposal must identify the all-inclusive maximum annual fee for the base engagement, separate Single Audit pricing, hourly rates or other pricing for additional services, and any assumptions or exclusions. Travel, technology, administrative, portal, report production, and routine out-of-pocket costs should be included in the all-inclusive annual fee unless clearly identified otherwise.

M. Exceptions

Identify any exceptions to the requirements or proposed contractual terms of this RFP. Silence will be interpreted as general acceptance, subject to negotiation of the final engagement agreement.

VII. Evaluation and Selection

A. Minimum Requirements

The City may determine a proposal nonresponsive if the firm does not demonstrate the following minimum requirements:

- Independence from the City and no disqualifying conflict of interest;
- Proper licensure to practice public accountancy in Minnesota;
- Demonstrated governmental auditing experience sufficient to perform the engagement;
- Ability to perform audits under Government Auditing Standards and, when required, 2 CFR Part 200;
- Submission of the firm's most recent peer review report;
- Ability to meet the City's required completion schedule; and
- A complete fee proposal.

B. Evaluation Criteria

Responsive proposals will be evaluated using the following criteria:

1. Firm qualifications and Minnesota governmental audit experience
2. Qualifications, experience and continuity of the proposed engagement team
3. Audit approach, communication, technology and ability to meet the schedule
4. Peer review, quality record, references and overall responsiveness
5. Price and overall value to the City

C. Interviews

The City may interview one or more firms. If interviews are conducted, the City expects the proposed engagement partner and manager to participate. Interviews may be held in person or by videoconference at the City's discretion.

D. Final Selection

City staff will evaluate the proposals and, if appropriate, interviews and references, and will recommend a firm to the City Council. Final selection is anticipated at the November 2, 2026 City Council meeting. The City may negotiate final scope, fees, terms, and engagement-letter provisions with the selected firm. If an acceptable agreement cannot be reached, the City may discontinue negotiations and proceed with another firm.

E. Right to Reject

The City reserves the right, without prejudice, to reject any or all proposals or to discontinue the RFP process if the City determines that doing so is in its best interest.

Appendix A – Proposer Certifications and Warranties

By signing below, the proposer certifies and warrants that:

1. The firm can and will provide, at a minimum, all services included in its proposal and the final agreed scope of services.
2. The firm is independent of the City under applicable professional standards and has disclosed any relationship that could reasonably be viewed as a conflict of interest.
3. The firm and all assigned key professional staff are properly licensed or otherwise authorized to perform the proposed services in Minnesota.
4. The firm will maintain professional liability/errors and omissions insurance and other insurance coverage reasonably appropriate for the engagement and will provide evidence of coverage upon request.
5. The firm will not materially delegate or subcontract its responsibilities without the City's prior written consent.
6. The firm will comply with applicable federal and Minnesota laws governing confidentiality, government data, records, and information security.
7. All information provided in connection with the proposal is true and accurate to the best of the proposer's knowledge.
8. The firm has authority to submit the proposal and, if selected, to enter into an engagement agreement with the City, subject to final negotiation and approval.

Firm Name: ____

Authorized Representative: ____

Title: ____

Signature: ____

Date: ____

Appendix B – Fee Proposal Form

All prices should be all-inclusive maximum fees unless otherwise noted. The annual base fee should include the financial statement audit, Government Auditing Standards reporting, Minnesota legal compliance work, annual financial statement/report preparation, required communications, OSA reporting assistance, City Council presentation, routine technical consultation, secure portal/file exchange, travel, administrative costs, and ordinary out-of-pocket expenses.

A. Annual Base Audit Fee

Year Ending	Status	All-Inclusive Maximum Fee
2026	Initial term	$________________
2027	Initial term	$________________
2028	Initial term	$________________
2029	Initial term	$________________
2030	Initial term	$________________

B. Single Audit Pricing

Single Audit fees shall include all auditor reporting and Federal Audit Clearinghouse assistance described in Section II.F. No fee will be charged unless a Single Audit is required or authorized by the City.

Service	Fee / Pricing Method
Single Audit - first major federal program	$________________ / ________________________________
Each additional major federal program	$________________ / ________________________________

C Hourly Rates for Additional Services

Classification	2026 Rate	2027-2028 / Escalation	2029-2030-2031 / Escalation
Engagement Partner	________________	________________	________________
Manager	________________	________________	________________
Supervisor / Senior	________________	________________	________________
Staff	________________	________________	________________
Other____________________	________________	________________	________________