

# **Town of St. George, Maine and St. George Municipal School Unit Request for Proposals Financial Auditing Services**

## **I. Introduction**

The Town of St. George, Maine (“Town”) is requesting proposals from qualified firms of certified public accountants to audit their financial statements and operations. The scope of the engagement will include the auditing of financial statements and internal controls for the Town and the St. George Municipal School Unit (MSU).

The initial engagement will have a term of up to three years beginning with the financial statements for the twelve (12) month period ending June 30, 2024. Town and MSU seek to enter into a relationship with a certified public accounting firm capable of meeting present and future auditing needs.

## **II. Proposal Process**

### **A. Pre-proposal Informational Meetings**

If desired, individual meetings with prospective proposers to resolve any unanswered questions and/or help them become familiar with Town and MSU can be scheduled. It is anticipated that each meeting will not exceed one (1) hour. Examples of work papers prepared by Town and MSU staff will be available for inspection.

### **B. Full Proposal**

The full proposal must be received by 5:00 PM on July 24, 2026. Proposers are to submit an original signed copy and five (5) additional copies.

In order to assist Town and MSU in reviewing the responses, it is requested that proposals address the following:

1. Letter of Transmittal -
  - a. Briefly state the proposer's understanding of the work to be done and the auditing standards to be employed and express a positive commitment to perform the work within the time periods specified in these proposal specifications.
  - b. Identify the person who is authorized to make representations and commitments on behalf of the firm with title, email and mailing addresses and phone number.
2. Profile of the Proposer
  - a. State whether the firm is local, regional, national or international.
  - b. Provide the location of the office from which the work is to be done and the number of partners, managers, supervisors and other professional staff employed at that office.

- c. Describe the range of activities performed by the office which will handle this engagement such as audit, accounting, tax services or management services.

### 3. Summary of Proposers Qualification

- a. Identify the staff who will work on the audit including staff from other than the office identified in 11(C) (3) (b). Resumes for each supervisory person should be included in an Appendix. Discuss the firm's commitment to providing continuity of staffing for this engagement and how that will be ensured.
  - b. Describe current auditing experience of the office performing the services similar to those requested herein.
4. Work Plan - Provide a summary of the firm's formal work plans including engagement control and auditing techniques to be employed in performing this audit. The firm should also discuss other areas or issues it believes should be reviewed.
  5. References - Provide the names, titles, addresses and phone numbers of five present municipal clients with a municipal school unit who may be contacted for comments on the services provided by the firm.
  6. Compensation - Provide the firm's fee quotation for each year audit assuming a one (1) year engagement and assuming a three (3) year engagement. Audit fees must be separated by Town and MSU. Town and MSU will make progress payments according to an agreed upon schedule. However, final payment for firm's services shall become due and payable only after the submission of all reports required and their acceptance by Town and MSU. Should the firm encounter circumstances requiring additional time and expense on its behalf, timely written notice with a full explanation must be provided Town and MSU. Additional compensation will be provided only if agreed to in writing in advance by the Select Board and School Board.
  7. Additional Information - Any relevant information not specifically requested under other headings may be included in this section at the proposer's discretion.

### **C. Interviews**

Representatives of the Select Board and School Board will interview selected proposers the week of July 13, 2026.

### **D. Correspondence and Inquiries**

All correspondence and inquiries concerning this request for proposals must be made to:

Brandon Leppanen, Town Manager  
Town of St. George  
PO Box 131  
Tenants Harbor, ME 04860-0131  
207-372-6363

### **E. Reservation of Rights**

Town and MSU reserve the right to accept, reject or request modifications of all or part of any proposal received, to discontinue or extend the process, to waive any irregularities in any proposal procedures and reserves the right to negotiate all and any part of the terms of any proposal. Selection of a proposal for

further consideration and negotiation shall not be considered as creating any obligation on the part of Town.

### III. Description of Town and MSU

- A. St. George is a community in mid-coast Maine with a year-round population of approximately 2,800 which increases to approximately 7,000 during the summer months. Incorporated in 1803, the town has a "Town Meeting - Select Board (5-person) - Town Manager" form of government.
- B. Town accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The modified accrual basis of accounting is followed for all funds. The accounting policies of Town conform to generally accepted accounting principles as applicable to governmental organizations. The Town works with an independent accounting firm to prepare year-end financial statements, reconcile various general ledger accounts, prepare adjusting entries, and prepare depreciation schedules.
- C. Town uses TRIO software for cash receipting, motor vehicle registration, payroll, and tax billing. Payroll is completed internally. MSU uses Aptafund, CNPweb, and NEO.
- D. The fund groups are:
  - 1. General fund - accounts for the general operations of Town
  - 2. Designated Funds - on-going accounts established for specific projects by Town
  - 3. Restricted Funds - on-going accounts established for specific projects in accordance with donor restrictions.
- E. St. George School is a K-8 school in the middle of Tenants Harbor, on the St. George peninsula. St. George is made up of five villages: Spruce Head, Clark Island, Tenants Harbor, Martinsville, and Port Clyde. St. George School was built in 1957 to consolidate the little village schools. Major additions were added in 1982 (the junior high wing) and in 1997 (K-4 addition.) The commitment to middle-level education and philosophy began in the late 1980s; Expeditionary Learning was added in 2008. St. George MSU operates a K-8 community school with approximately 200 students and about 90 St. George students in grades 9-12 attend local area high schools through tuition agreements.
- F. School accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The modified accrual basis of accounting is followed for all funds. The accounting policies of Town conform to generally accepted accounting principles as applicable to governmental organizations.
- G. The fund groups are:
  - 1. General fund - accounts for the general operations of Town
  - 2. Designated Funds - on-going accounts established for specific projects by Town
  - 3. Restricted Funds - on-going accounts established for specific projects in accordance with donor restrictions.
  - 4. Special Revenue Funds - accounts established for specific purposes - grants and donations

## **IV. Services Required**

### **A. General Information**

Town and MSU place great emphasis on the importance of a thorough and systematic approach to the review of internal controls and practices.

### **B. Financial Statement and Internal Controls Audit Services**

The primary service under this engagement is the auditing of Town year-end financial statements. Draft statements are prepared by Town and MSU staff. Town and MSU staff and the auditor review and finalize drafts. The auditor issues the final draft, including its opinion, for review and acceptance by the Select Board. Year-end audit adjusting entries will be provided to Finance Directors.

#### 1) Scope of Audit

- a) The statements prepared by Town and MSU are to be audited in the context of generally accepted accounting principles as applicable to government organizations.
- b) The audits are to include systematic reviews of internal controls and procedures. Specific areas to review include:
  - i) financial controls and practices
  - ii) cash management and investment controls
  - iii) data processing controls
  - iv) withholding tax treatment of employee benefits

### **C. Reports Required of Auditors**

Town and MSU will provide drafts of year-end statement. The auditors will provide drafts reflecting agreed upon adjustments. The final draft of the report will include an opinion attesting that the statements fairly present the financial condition of the entity. If a qualified or adverse opinion is necessary, the reasons will be specified.

One copy of a final draft for presentation to the Select Board and School Board will be supplied no later than January 12, 2024, with a formal presentation meeting with the Select Board to occur within two weeks following the receipt of this final draft. We require twelve bound copies of final statements for each group (Town General fund, Designated Fund and Restricted Fund) in one binder. In addition we require copies of each report in PDF form. A formal presentation meeting with the Select Board will be scheduled to within two weeks following the receipt of the final draft report.

### **D. Meetings**

The auditors will meet with Town and MSU staff at the beginning of each field work period to discuss work plans, timetables and issues to be addressed. At the conclusion of the work period, the auditors will conduct an exit interview with the Town and MSU staff in which they will present and receive feedback on their observations and recommendations.

### **E. Report to Management**

The auditors will prepare and submit a Report to Management upon the completion of the audit. The report will discuss observations and recommendations concerning internal controls arising from the reviews discussed in paragraph IV (B) (1) (b). The Report will include comments on the status of

recommendations made in the prior year Report. The formal report will be presented to the Select Board and School Board with the final draft of the statements.

#### **F. Assistance of Finance Staff**

Finance staff will assist the auditors as follows:

- 1) Provide initial drafts of financial statements including notes reflecting closing entries and adjustments arising from staff reconciliation of key accounts. Staff will also provide audit schedules for all key accounts and other schedules requested by the auditor.
- 2) Staff will provide all of the above items at the beginning of each field audit period and will be available throughout the period to answer questions and provide information the auditor requires.

#### **G. Term of Engagement**

This engagement will begin with the twelve (12) month June 30, 2023 audit and will continue through the audit of June 30, 2025 subject to Town satisfaction with services provided. Town reserves the right to terminate the engagement at any time based on its sole appraisal of audit services.

### **V. Evaluation of Proposals**

The proposals will be evaluated based on but not limited to the following criteria:

1. Responsiveness to this Request for Proposal
2. Qualifications and experience of the firm and the personnel to be assigned to the engagement in regards to auditing and management services
3. Demonstrated ability to complete work on schedule
4. Experience with government and small-town operations with municipal school units
5. Client references
6. Quality and appropriateness of the firm's work plan and audit techniques
7. Stability and capacity of the firm
8. Commitment and ability to ensure continuity in staffing on this engagement
9. Cost of the engagement