

ST CLOUD AREA SCHOOL DISTRICT 742  
1201 2<sup>ND</sup> STREET SOUTH  
WAITE PARK, MN 56387

REQUEST FOR PROPOSALS

FOR

AUDIT SERVICES

PROPOSAL DUE DATE:

FRIDAY, FEBRUARY 28, 2025, BY 1:00 PM CENTRAL TIME

# **REQUEST FOR PROPOSALS**

## **AUDIT SERVICES**

### **I. INTRODUCTION**

#### **A. General Information**

St. Cloud Area School District 742 (ISD 742) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2025, with the option of auditing its financial statements for each of the four subsequent fiscal years.

There is no expressed or implied obligation for ISD 742 to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Any inquiries concerning the request for proposals should be addressed to David Cooney, Controller, 1201 2<sup>nd</sup> Street South, Waite Park, MN 56387. E-mail: [david.cooney@isd742.org](mailto:david.cooney@isd742.org). ISD 742 will use its best efforts to make prior audit reports available to proposers to aid their response to this request for proposals. The District reserves the right to reject any or all proposals submitted.

During the evaluation process, ISD 742 reserves the right, where it may serve the best interest of ISD 742, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of ISD 742, firms submitting proposals may be requested to make presentations as part of the evaluation process. Not all firms may be asked to make such presentations.

#### **B. Term of Engagement**

A five-year engagement is contemplated, subject to the annual review and recommendation of the Board Finance Committee, the satisfactory negotiation of terms (acceptable to both ISD 742 and the selected firm), and the concurrence of ISD 742.

### **II. NATURE OF SERVICES REQUIRED**

#### **A. Scope of Work to be Performed**

ISD 742 desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

ISD 742 also desires the auditor to express an opinion on the fair presentation of its combined financial statements and schedules in conformity with generally accepted accounting principles.

The auditor will also perform a Single Audit(s) and report on the Schedule of Expenditures of Federal Awards and on ISD 742's compliance with laws and regulations and its internal controls as required by the Single Audit Act and OMB Circular A-133.

ISD 742 requires a State Legal Compliance Audit conducted in accordance with the provisions of the Minnesota Legal Compliance Audit Guide.

**B. Auditing Standards to be Followed**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in "Government Auditing Standards" issued by the Comptroller General of the United States and provisions of U.S. Office of Management and Budget (OMB) Circular A- 133, "Audits of States, Local Governments and Non-Profit Organizations."

**C. Reports to be Issued**

All reports required as part of the auditing standards being followed and as part of the audit scope shall be considered part of the audit fee quoted.

**III. DESCRIPTION OF THE GOVERNMENT**

**A. Demographics**

St. Cloud Area School District 742 is a school district that serves approximately 9,400 students.

There are two high schools, two middle schools, one K-8 school, seven elementary schools, an Area Learning Center, an Early Childhood Center and two alternative learning sites.

**B. Financial Data**

Total district expenditures in fiscal year 2023-24 in Governmental Funds were approximately \$216,700,000. In fiscal year 2023-24, the General Fund of the District had approximately \$174,200,000 in expenditures and \$179,100,000 in revenue. The District had \$28,700,000 in Federal Programs in 2023-24.

**IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

**A. Business Services Department Staff**

The Business Services Department and responsible management personnel will be available during the audit process to assist the firm by providing

information, documentation and explanations. The preparation of confirmations will be the responsibility of ISD 742.

Report preparation shall be the responsibility of the audit firm and will be reviewed by ISD 742. Editing, printing and reproduction of distribution copies shall be the responsibility of the audit firm.

## **V. PROPOSAL REQUIREMENTS**

### **A. Basic Firm Information**

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk review of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

### **B. Partner, Supervisory and Staff Qualifications and Experience**

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Minnesota. The firm should also provide information on the governmental auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement would be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are

assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of ISD 742. However, in either case, ISD 742 retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of ISD 742, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

**C. Similar Engagements with Other Government Entities**

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

**D. Specific Audit Approach**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals. In developing the work plan, reference should be made to such sources of information as ISD 742's budget and related materials, organizational charts, manuals and programs, financial and management information systems.

Proposers will be required to provide the following information in their audit approach:

- Proposed segmentation of the engagement
- Level of staff and number of hours to be assigned to each proposed segment of the engagement
- Sample sizes and the extent to which statistical sampling is to be used in the engagement
- Type and extent of analytical procedures to be used in the engagement
- Approach to be taken to gain and document an understanding of ISD 742's internal control structure
- Approach to be taken in determining laws and regulations that will be subject to audit test work
- Approach to be taken in drawing audit samples for purposes of tests of compliance
- Estimated number of days required to complete fieldwork

**E. Identification of Anticipated Potential Audit Problems**

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from ISD 742.

**F. Report Format**

The proposal should include sample formats for required reports, including representative samples of management reports typically issued as a result of the engagement.

**F. Proposal Pricing**

The proposal should list pricing separately for each fiscal year.

**G. Manner of Payment**

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

**VI. PROPOSAL SUBMITTAL**

Interested firms should submit a proposal to: David Cooney, Controller, St. Cloud Area School District 742, electronically at [david.cooney@isd742.org](mailto:david.cooney@isd742.org) no later than Friday, February 28, 2025, by 1:00 PM Central Time.