Town of Richmond, Maine
and
Richmond School Administrative Unit

Detail Instructions for Audit Services Proposals

I. Request for Proposals

The Town of Richmond, Maine ("Town") and the Richmond School Administrative Unit ("RSAU") request proposals (the "RFP") from qualified firms of certified public accountants to enter a long-term agreement to meet present and future auditing needs (financial statements and operations) for fiscal years FY2024 through FY2031, with renewal for future years.

Initial work includes completing the audits for fiscal years ending 2024, 2025, and 2026. The selected firm will coordinate the auditing of financial statements and internal controls for the Town and the Richmond School Administrative Unit, provide draft and final reports with opinions and findings, and complete individual audit reports annually for each entity.

Richmond is a mid-coast Maine community in Sagadahoc County with a year-round population of 3,600. It is a non-chartered municipality using the "Town Meeting–Selectboard–Manager" form of government with a five-member Selectboard. The Richmond School Administrative Unit is a municipal K-12 school system operating a PK-12 community school with approximately 430 students and overseen by a five-member School Board.

The Town's ERP software is Harris-TRIO. RSAU uses Aptafund, Grants4ME, G5, CNPweb, and NEO. The Town and RSAU share the Treasurer, a common deposit 'sweep' account, and perform separate payrolls internally. FY2027 combined Municipal, TIF, School, and County budgets total approximately $14,500,000.

II. Submission Process

All firms submitting proposals must follow the detailed instructions below. All correspondence and inquiries concerning this RFP must be made in writing via email to: Jim Chandler, Town of Richmond townmanager@richmondmaine.com

<u>The full proposal must be received by 5:00 PM on Thursday, September 24, 2026.</u> Proposals must include two (2) original signed copies delivered to the Richmond Town Office, 26 Gardiner Street, Richmond, Maine 04357, and one Adobe PDF digital file of the same document emailed or delivered to townmanager@richmondmaine.com. Questions must be received by 5:00 PM on Friday, September 11, 2026. Responses to all submitted questions will be sent via email to all inquiring firms no later than 5:00 PM Monday, September 14, 2026.

Proposals will not be opened publicly. The Town and RSAU reserve the right to accept or reject all proposals, to waive formalities contained in the RFP, and negotiate fees for services with a selected firm. All proposals submitted become the property of the Town.

III. Proposal Requirements

Proposals shall not exceed 15 pages and will include certain items listed below as Appendices. All proposals submitted must include:

1. Letter of Transmittal
    a. Briefly state the firm's understanding of the work to be done and confirms the auditing standards to be employed meet the requirements for Maine Municipalities and School Districts.
    b. Affirm the work will be completed within the time periods specified herein.
    c. Identify the firm agent and representative authorized to field questions, make representations, and enter into binding agreements on behalf of the firm. Include the agent's title, email and mailing addresses, and phone number.
2. Firm Profile
    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 Qualifications
    a. Describe current auditing experience of the office performing services like those requested herein, with particular focus on experience working with towns that have a municipal school administrative unit.
    b. Pursuant to 20-A M.R.S. § 6051(3), audits must be conducted by qualified certified public accountants or public accountants registered by the Board of Accountancy. The auditor shall review the audit with:
        i. Municipality Selectboard
        ii. School board of the District
    c. Provide the names, titles, and any relevant certifications and degrees of staff who will work on the audit.
        i. Include an Appendix with resumes of all staff responsible for the completion of the work.
    d. Discuss the firm's commitment to continuity of staffing for this engagement.
    e. All applicants must agree to maintain a $1,000,000 professional liability insurance policy that covers financial losses due to errors, omissions, or negligence.
4. Plan to Achieve Scope of Work Requirements (Articulated Below)
    a. Provide a summary of the firm's plan for conducting the audit. The audit shall be conducted in accordance with the audit standards promulgated in the U.S. Government Accountability Office's Government Auditing Standards ("GAGAS").
        i. financial controls and practices;
        ii. cash management and investment controls;
        iii. data processing controls;
        iv. withholding tax treatment of employee benefits.
    b. Include 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.
   c. Confirm timeline reports will be delivered from the firm to the Town and RSAU.
   d. Include a plan to timely notify the Town and RSAU in writing if any delivery timeline may be compromised such that additional time and expense may be required. This notice shall include a full explanation of the circumstances that resulted in the disruption.
5. Quote of base annual cost and additional fees
   a. Provide the firm's fee quotation for each individual year and audit for up to a five-year contract period.
   b. Provide separate audit fee quotes for the Town and RSAU. Town and RSAU will make progress payments according to an agreed schedule.
   c. Include prices that will be firm for the term of the contract, except as may be expressly provided in the contract.
   d. Reflect all services and resources necessary to complete the work based upon the best estimate of the work as provided by the Town and RSAU herein.
6. Additional Information
   a. Any relevant information not specifically requested under other headings may be included in this section at the proposer's discretion.
7. Appendices of References
   a. Provide names, titles, addresses and phone numbers of five municipal clients with a municipal school unit that your firm has served within the last three (3) years. These municipal clients may be contacted for comments regarding the levels of service provided by the firm.

The Town and RSAU, in reviewing the responses, shall determine that a proposal includes the required materials listed above. Further, the proposed work plan meets the requisite criteria outlined below. Any proposal deemed incomplete or does not meet these criteria may be rejected.

IV. Coordinated Scope of Work

The primary service under this engagement is the auditing of Town and RSAU year-end internal controls and financial statements including a summary of the firm’s opinions. The work will be conducted in collaboration with Finance Staff of the Town and RSAU.

The Town and RSAU will provide the contracted auditor (the “Vendor”) with drafts of the year-end statement. The Vendor 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.

RSAU withdrew from the Regional School Unit #2 effective July 1, 2023. Since that date, the Town and RSAU operate independently but share the Town Treasurer and deposit account from which both draw funds for independent payroll and accounts payable purposes. Both adhere to

Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

For future audits beyond FY2026, one copy of a final draft for presentation to the Selectboard and School Committee will be supplied no later than January 31st of the year following the fiscal year being audited. A formal presentation meeting with the Selectboard and RSAU will be scheduled to within four weeks following receipt of the final draft report.

A. Meetings
The Vendor is expected to meet independently with Town and RSAU staff at the beginning of each auditing work period (the "Work Period") to discuss work plans, timetables and issues to be addressed. At the conclusion of the Work Period, the Vendor is expected to again meet with the Town and RSAU staff to present and receive feedback on their observations and recommendations. Joint Town/RSAU meetings will be held as needed.

B. Report to Management
Upon the audit's completion, the Vendor will prepare and submit a Report to Management letter for those items of joint interest, and Report to each entity for Town- and School-specific findings. The reports will discuss observations and recommendations concerning internal controls for the Town and RSAU.

The Reports will include comments on the status of recommendations made in the prior year Report. The formal report will be presented to the Selectboard and School Committee with the final draft of the statements.

C. Assistance of Finance Staff
Town and RSAU finance staff will assist the Vendor 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 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.

D. Term of Engagement
This engagement will begin with the twelve (12) month audit for the Fiscal Year beginning July 1, 2023, and ending to June 30, 2024 – followed by completion of remaining past-due audits through FY2026 and continuing annually until FY2031.

Upon written confirmation from the Town and RSAU that they are satisfied with the services provided and would like to renew the contract for an additional year, the contract will be renewed for an additional audit year. The contract may be renewed annually through the audit of June 30, 2031, upon the written agreement by all parties. Town and RSAU reserve the right to terminate the engagement at any time based on its appraisal of audit services provided or due to the non-appropriation of funds.

V. Description of Town & School Administrative Unit

Town of Richmond

Richmond is a community in mid-coast Maine with a year-round population of approximately 3,600. Incorporated in 1823, Richmond is a non-Chartered municipality using "Town Meeting–Selectboard–Manager" form of government with a five-member Selectboard.

Richmond uses a modified accrual basis of accounting for individual funds, each of which is considered a separate accounting entity. The accounting policies of Town conform to generally accepted accounting principles (GAAS) as applicable to governmental (GASB) organizations. The Town contracts with an independent accounting firm to prepare year-end financial statements, reconcile various general ledger accounts, prepare adjusting entries, and prepare depreciation schedules.

Richmond provides the following services on a full or part-time basis:

- Public Safety (Police, Fire, EMS, and EMA)
- Public Works
- General Assistance
- Code Enforcement
- Planning & Zoning
- Community Services
- Library, Cultural Events, and Arts
- Senior Center Services
- Recreational Sports
- Parks & Trails

The Richmond Utilities District is not a Town department, but a governmental entity that provides water and wastewater treatment services to the village area.

The Town uses TRIO software for cash receipting, motor vehicle registration, payroll, and tax billing. Payroll is completed internally. The town's annual municipal operating budget for recent fiscal years has been approximately $4,200,000, consisting of property tax revenues, fees, enterprise revenues, other revenues, and tax increment financing revenues.

The fund groups are:

A. General fund – accounts for the general operations of Town
B. Reserve Funds – on-going accounts established at Town Meeting for specific projects and purposes
C. Enterprise & Hybrid Funds – on-going accounts for revenue generating activities

D. Restricted Trust Funds – on-going accounts established for specific purposes in accordance with donor restrictions.
E. Tax Increment Financing (TIF) Funds – on-going accounts established to manage TIF District Revenues and Project expenditures and business loans
F. CDBG Loan Funds – on-going revolving loans to resident homeowners

Richmond School Administrative Unit

Richmond SAU is a municipal K-12 community school district with approximately 430 students located within the Town of Richmond. .

RSAU uses Aptafund, Grants4ME, G5, CNPweb, and NEO. Payroll is completed internally. 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 the Town conform to generally accepted accounting principles as applicable to governmental organizations.

The fund groups are:

A. General fund - accounts for the general operations of Town
B. Designated Funds - on-going accounts established for specific projects by Town
C. Restricted Funds - on-going accounts established for specific projects in accordance with donor restrictions.
D. Special Revenue Funds - accounts established for specific purposes - grants and donations

VI. Evaluation of Proposals

Representatives of the Town and RSAU will interview selected proposers the week of October 5, 2026. 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 regarding 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

The Town and RSAU 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, whether substantive or procedural, and reserves the right to negotiate all and any terms of any proposal.

Selection of a proposal for further consideration and negotiation shall not create any obligation on the part of Town and/or RSAU. The selected firm will execute a contract for professional services with the Town and RSAU.

VII. Proposed Terms & Conditions

The following shall apply to the resulting contract between the firm of the vendor and the Town and RSAU under this RFP. The final contract is subject to review and approval by the Town's and RSAU's legal counsel.

1. Taxes. The Town and RSAU are exempt from Maine State sales and use tax and has other federal and state tax exemptions afforded to public school administrative units and political subdivisions. Vendors shall ensure that their cost proposals specifically include all applicable taxes, fees, and surcharges from which the Town and RSAU are not exempt.

2. Payment. The vendor shall invoice the Town and RSAU for work on the project as agreed by the parties.

3. Insurance. The vendor shall procure and maintain insurance as will protect the vendor, the Town, and the RSAU from claims or damages because of bodily injury, including death, and for claims for damages to property that may arise out of, or result from, the vendor's performance of work under the contract. The minimum coverages shall be as follows:

Commercial General Liability:	\$1,000,000 per occurrence/\$2,000,000 aggregate
Professional Liability Insurance:	\$1,000,000 per occurrence
Motor Vehicle Liability:	As required by law in the State of Maine.
Workers' Compensation	As required by law in the State of Maine.

   Prior to signing a contract with the Town and RSAU, the Town and RSAU shall be named as an additional insured on vendor's liability policies The commercial general liability coverage shall include the Town and RSAU as an additional insured and shall guarantee thirty (30) days' notice to the Town and RSAU of termination of the insurance.

4. Indemnification. The vendor shall indemnify and hold harmless the Town and RSAU, their officers, agents and employees in their individual and official capacities (collectively, the "Indemnitees") from any and all claims, costs (including reasonable attorneys' fees), expenses, injuries, liabilities, losses and damages of every kind and description, including without limitation claims for property damage or bodily injury

(including death), resulting from or arising out of the performance of this Agreement by the vendor, its employees, its agents, or subcontractors (collectively, "Claims") to the extent not attributable to the negligence or willful misconduct of the Town and RSAU. This indemnification/hold harmless provision shall survive termination of the contract. In its contract with the vendor, the Town and RSAU will not agree to any provision that requires indemnification on the part of the Town and/or RSAU.

Under no circumstances shall the provision of indemnification by either party under this Agreement be construed to waive or otherwise limit any of the defenses, immunities, or limitations of liability available to the Client under the Maine Tort Claims Act, 14 M.R.S. § 8101, et seq., or other applicable law. The provisions of this Section shall survive the term of this Agreement indefinitely.

5. Governing Law. The contract shall be entered into, subject to, and shall be interpreted in accordance with the laws of the State of Maine.

6. Assignment. This contract may not be assigned by either party unless agreed to in writing by the vendor, the Town, and the RSAU.

7. FERPA & FOAA. In performance of its obligations under this Agreement, the vendor may have access to confidential and/or personally identifiable student information that is subject to state and federal laws and/or rules restricting the use and disclosure of such information, including but not limited to the Family Educational Rights and Privacy Act (FERPA). Further, the vendor may have access to confidential and/or personally identifiable information relating to public employees. The selected vendor shall comply with all applicable federal and state laws restricting the access, use, and disclosure of student and employee information shared with it by, or that it collects from, the Town, the RSAU, or the Town or RSAU's vendors, and shall take no action with respect to such information that would cause the Town or RSAU to violate its obligations under applicable federal or state laws related to such information.

8. Independent Contractor. The vendor, including its employees, agents, and subcontractors, will act as an independent contractor and not as an officer, employee or agent of the Town or RSAU. Nothing in the resulting contract is intended to create a partnership or joint venture relationship between the parties. Neither party shall have any authority to bind or commit the other party in any way.

9. Federal Contract Provisions. The RSAU receives federal funding, and from time to time will be required to have a single or program-specific audit conducted. As a result, the contract shall include federal contract provisions required pursuant to Appendix II of the Uniform Grant Guidance (2 CFR Part 200). Appendix II is available at: https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/appendix-Appendix%20II%20to%20Part%20200