



**THE COMMISSIONERS OF LEONARDTOWN, MARYLAND
REQUEST FOR PROPOSAL
INDEPENDENT AUDIT SERVICES**

Sealed proposals for the Commissioners of Leonardtown, Maryland, the “Town”, for Independent Auditing services as described in the proposal package will be received from qualified vendors at any time and up to 10:00 a.m. April 25, 2025 at Town Hall, 22670 Washington Street, P.O. Box 1, Leonardtown, MD 20650.

Copies of the RFP package can be obtained by free download from the Town website or by calling 301-475-9791. Detailed instructions for proposal submission are included in the proposal package. Electronically submitted or late proposals will not be accepted.

A voluntary pre-proposal conference is scheduled for April 4, 2025 at 10:00 am.

Additional information about the Commissioners of Leonardtown can be found on the Town’s website at <https://leonardtown.somd.com/>.



REQUEST FOR PROPOSAL TOWN OF LEONARDTOWN

Proposals shall be submitted in a **SEALED ENVELOPE** with the label provided below affixed to the front. The Commissioners of Leonardtown reserves the right to reject proposals improperly labeled. The envelope shall also show the Consultant's name and address.

FROM: _____

SEALED TECHNICAL PROPOSAL

TO BE DELIVERED AND OPENED BY:

**Town of Leonardtown
Attn: Treasurer
22670 Washington Street
P. O. Box 1
Leonardtown, MD 20650**

PROPOSAL TITLE: _____

PROPOSAL NUMBER: _____

PROPOSAL DUE DATE AND TIME: _____





REQUEST FOR PROPOSAL TOWN OF LEONARDTOWN

Proposals shall be submitted in a **SEALED ENVELOPE** with the label provided below affixed to the front. The Commissioners of Leonardtown reserves the right to reject proposals improperly labeled. The envelope shall also show the Consultant's name and address.

FROM: _____

SEALED PRICE PROPOSAL

TO BE DELIVERED AND OPENED BY:

**Town of Leonardtown
Attn: Treasurer
22670 Washington Street
P. O. Box 1
Leonardtown, MD 20650**

PROPOSAL TITLE: _____

PROPOSAL NUMBER: _____

PROPOSAL DUE DATE AND TIME: _____

**THE COMMISSIONERS OF LEONARDTOWN
REQUEST FOR PROPOSAL
INDEPENDENT AUDIT SERVICES**

I. NATURE OF SERVICES REQUIRED

A. General

The Town of Leonardtown is requesting Technical Proposals and Price Proposals from qualified certified public accounting firms or individuals (hereinafter, "the Consultant") to audit the Town of Leonardtown's financial statements in accordance with this RFP. The initial term of the Contract shall be for the fiscal year ending June 30, 2025.

These audits shall be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These audits shall also comply with requirements set by the U.S. Office of Management and Budget (hereinafter "OMB") Uniform Guidance (2 CFR 200, subpart F (200.500)), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as the guidelines established by the State of Maryland Department of Legislative Services, Office of Legislative Audits.

All certified public accountants shall be in compliance with the provisions of the Maryland Public Accountancy Act as codified in the Business Occupations and Professions Article, Title 2 of the Annotated Code of Maryland. This section of the law requires that individuals practicing certified public accountancy in the State shall be licensed by the State Board of Public Accountancy, and accounting firms operating a business through which certified public accountancy is practiced shall hold a permit issued by the State Board of Public Accountancy. Limited licenses/permits are required for out-of-state individuals and firms wishing to practice certified public accountancy on a specific contract in Maryland.

The Town of Leonardtown reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Consultant of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the Contract between the Town of Leonardtown and the Consultant selected.

B. Scope of Service

The Town of Leonardtown desires the Consultant to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The Consultant shall not be required to audit the schedule of expenditures of federal awards. However, the Consultant shall provide an “in-relation-to” report on that schedule based on the auditing procedures applied during the audit of the financial statements.

The Consultant shall be required to compare and sign the annual Uniform Financial Report and the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations in sufficient time for the Town of Leonardtown to submit the reports prior to the respective due dates. Note that the Data Collection Form and Uniform Financial Report are now prepared and submitted in electronic format via the Internet.

C. Auditing Standards

To meet the requirements of this RFP, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. In addition, the audit shall follow the provisions of the Single Audit Act Amendments of 1996 or as may be amended from time to time and the provisions of U.S. Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200, subpart F (200.500)), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as well as the guidelines established by the State of Maryland Department of Legislative Services, Office of Legislative Audits.

D. Irregularities and Illegal Acts

The Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of to the Town Administrator and the Treasurer.

E. Special Considerations

- 1) The Town of Leonardtown has determined that the United States Department of Housing and Urban Development shall function as the cognizant agency in accordance with the provisions of the Single Audit Act Amendment of 1996 and as may be amended from time to time and U.S. Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200, subpart F (200.500)), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- 2) The schedule of expenditures of federal awards and related reports on the internal controls and compliance from the Consultant will be included in the comprehensive annual financial report.

- 3) The Town of Leonardtown's most recent audit of general purpose financial statements is available on-line at <https://www.leonardtown.somd.com/> and the Uniform Guidance (2 CFR 200, subpart F (200.500)), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards report is to this document (See Appendix B – The Town of Leonardtown Financial Statements FY24).
- 4) The Consultant shall be available to the Town of Leonardtown for consultation and advice throughout the entire period of the Contract.

F. Working Paper Retention and Access to Working Papers

All working papers and reports shall be retained, at the Consultant's expense, for a minimum of five (5) years, unless the Consultant is notified in writing by the Town of Leonardtown of the need to extend the retention period.

In addition, the Consultant shall respond to the reasonable inquiries of successor consultants and allow successor consultants to review working papers relating to matters of continuing accounting significance.

G. Reports

Following the completion of the audit of the fiscal year's financial statements, the Consultant shall issue:

- 1) A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for the Town of Leonardtown.
- 2) A report on compliance and internal controls over financial reporting based on an audit of the financial statements performed in accordance with Statement on Auditing Standards (hereinafter, "SAS") No. 112, Communicating Internal Control Related Matters Identified in an Audit.
- 3) A report on compliance and internal controls over compliance applicable each major federal award program in accordance with Uniform Guidance (2 CFR 200, subpart F (200.500)), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- 4) A report on the Schedule of Expenditures of Federal Awards for the single audit for the Town of Leonardtown in accordance with the Single Audit Act.
- 5) Draft financial statements, notes, and all required supplementary schedules shall be prepared by September 26, 2025. The Consultant shall provide all recommendations, revisions, and suggestions for improvement to the Treasurer by October 3, 2025. A revised report, including draft auditor's reports shall be delivered to the Treasurer by October 17, 2025.

- 6) The Treasurer shall complete the review of the draft report as expeditiously as possible. It is not expected that this process should exceed one (1) week. During that period, the Consultant shall be available for any meetings necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report and the completed and signed UFR shall be delivered to the Treasurer. It is anticipated this process will be completed and the final reports delivered by October 24, 2025. NOTE: The UFR is due to the State on October 31, 2025.

The final report and twelve (12) signed copies shall be delivered as follows:

HAND DELIVERY, UPS, FEDERAL EXPRESS

The Town of Leonardtown
Attention: Treasurer
22670 Washington Street
P.O. Box 1
Leonardtown, MD 20650

- 7) The Consultant shall be expected to present the financial statements and management letter to the Commissioners of Leonardtown, Maryland during one of their regularly scheduled sessions as soon after November 1st as possible each year. The date shall be coordinated and confirmed by the Treasurer.

H. Auditor qualifications

Describe your organization's personnel expertise and experience in providing the services requested.

- 1) State the size of the firm and size of the firm's governmental audit staff.
- 2) Specify the number of full-time employees in your firm to be employed for this Contract.
- 3) Identify the personnel who shall handle services for the Town of Leonardtown in accordance with the requirements herein and their area of expertise.
- 4) Specify the number and nature of the staff to be so employed on a part-time basis.
- 5) Identify the principal supervisory and management staff, including contract partners, managers, other supervisors and specialists, who would be assigned to the Contract. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Maryland. Provide information on the government 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.

- 6) 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 Contract.
- 7) Provide biographies or resumes of key firm management and personnel who shall be directly involved with the Town of Leonardtown staff.
- 8) Indicate how the quality of staff over the term of the Contract shall be assured.

Contract partners, managers, other supervisory staff and specialists may be changed if those personnel leave the Consultant, are promoted, or are assigned to another office. Those personnel may also be changed for other reasons with the express prior written permission of the Town of Leonardtown. However, in either case, the Town of Leonardtown retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this RFP shall only be changed with the express prior written permission of the Town of Leonardtown, which retains the right to approve or reject replacements.

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

I. Contract Period

- 1) The term of this Contract shall be for five (5) years from date indicated in the Notice to Proceed, or otherwise indicated by the Town of Leonardtown, with the option of extending the Contract for two (2) additional two (2) year periods under the same terms and conditions.
- 2) This Contract shall automatically be renewed unless notice of nonrenewal shall be made to the Contractor by the Town of Leonardtown or to the Town of Leonardtown by the Contractor at least ninety (90) calendar days prior to the contract anniversary date which is the date in the Notice to Proceed or otherwise indicated by the Town of Leonardtown.

II. DESCRIPTION OF GOVERNMENT

- A. The Town's population is approximately 4,563, as of the 2020 census.

- B. The Town was incorporated in 1858 and operates under the Mayor-Council form of government. The Council appoints a Town Administrator that executes day to day duties of the Mayor.
- C. The Town has 18 full time and 8 part-time employees, with a payroll totaling approximately \$1.5 million. The Mayor and Council represent 6 of those part-time employees.
- D. The appointed Town Treasurer serves as the Chief Financial Officer.
- E. The Town currently has a General Fund, an Enterprise Fund, a Special Revenue Fund and a Capital Projects Fund. The FY24 financial statements can be found on the Town's website at <https://leonardtwn.somd.com/> by following the Request for Proposals link on the home page. The previous two years budget documents are also linked on the Town's home page.
- F. The Town has two office locations. Administrative offices are located at 22670 Washington Street. Utility department offices are located at 22620 Van Wert Lane.
- G. The Town uses Abila MIP Fund Accounting to record and report all financial transactions. The utility billing (UB) function utilizes a separate software application. Transactions from the UB application are manually entered into the Fund Accounting software. Real Estate Tax billings are handled by St. Mary's County Government and funds are distributed to the Town monthly.
- H. The Town continues to experience rapid residential growth, recently being named the fastest growing municipality in Maryland.

III. REPORT AND WORKPAPER PREPARATION

- A. The Auditor will prepare:
 - 1) A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
 - 2) A report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with Government Auditing Standards.
 - 3) A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
 - 4) The auditor shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts, or which they become aware to the Town Administrator and the Treasurer.
 - 5) The auditor shall be required to review the UFR prior to its electronic submission by the Town.
 - 6) The auditor shall provide the Town 12 copies of the financial statements, an electronic version, with the required reports.

B. The Treasurer will prepare the following reports and schedules:

1. MD&A, Financial Statements, Notes, and Supplemental Information
2. Unified Financial Report (UFR)
3. Trial balance for all funds
4. Budget reports for all funds
5. Schedule of budget amendments
6. Bank reconciliations
7. Schedules of all asset and liability accounts
8. Cash flow statement work papers
9. Schedule of fund balance classifications
10. Accounts payable subledgers
11. Salary accrual work papers
12. Compensated absences work papers
13. HRA liability work papers
14. Long term debt amortization schedules
15. 941 reconciliations
16. Fixed asset and depreciation schedules
17. All cash, revenue, receivable and debt confirmations.

IV. TIME REQUIREMENTS

A. Proposal and award

Proposal posted date	March 21, 2025
Pre-proposal conference	April 4, 2025 @ 10:00 am
Questions due	April 8, 2025
Addendum Posted	April 10, 2025
Proposals Due	April 25, 2025 @ 10:00 am
Proposal approved by Council	May 13, 2025
Signed engagement letter	May 31, 2025

B. Fieldwork

Preliminary work	June 1 - 30
Field work	September 1 - 19
Review of financial statements	October 17
Review of UFR	October 24
Delivery of opinion letter	October 24
Management letter	October 31
Presentation to Town Council	Second Monday in November

V. ADDITIONAL INFORMATION

A. The Town Treasurer shall be the point of contact for this request for proposal.

Sharon Strand, Treasurer
The Commissioners of Leonardtown
22670 Washington Street
P.O. Box 1
Leonardtown, MD 20650
Sharon.Strand@leonardtownmd.gov

B. Questions, requests for additional information or clarifications must be made in writing and submitted to the Town Treasurer by the date shown in IV.A. Replies to inquiries, requests for additional information or amendments deemed necessary will be provided by written addenda.

C. The Town's current auditor between 2019 and 2024 was BBD, LLP, which is now Winthum Smith+Brown, PC, located in Philadelphia, PA.

VI. SUBMITTAL INSTRUCTIONS

A. Two separate proposals shall be submitted. One shall be the Technical Proposal of the firm. The other shall be the Price Proposal. Proposals shall be submitted concurrently, each presented separately in sealed envelopes. No proposals will be opened until the specified time of 10:00 am on April 25, 2025. Only Technical Proposals will be opened at that time. Price proposals shall be opened only after the committee has reviewed all Technical Proposals and determined firms to be qualified and responsive.

B. Technical Proposal

A sealed bid envelope marked RFP AUDIT SERVICES TECHNICAL PROPOSAL must contain an original and 2 copies. It shall include a dated transmittal letter to include the name, address, email and phone number of the contact person. Use the address listed in Section V.A.

The Town will not be responsible for expenses incurred in preparing and submitting the technical or cost proposals.

The Technical Proposal must demonstrate the professional qualifications and experience of the firm and the particular staff to be assigned to this engagement and its technical understanding of the work to be performed. **(DO NOT INCLUDE ANY PRICES IN THE TECHNICAL PROPOSAL.)** At a minimum, the following points must be addressed in the proposal:

- 1) An affirmative statement that the firm is independent of the Town as defined by the U.S. Government Accountability Office's Government Auditing Standards.
- 2) An affirmative statement that the firm and all assigned key professional staff are properly registered and licensed to practice in the State of Maryland.
- 3) Details of the history and size of the firm in addition to the size of the firm's experienced governmental audit staff, the location of the office from which work on this engagement is to be performed and the number of currently employed professional staff that will be assigned to this engagement. Disclose whether additional staff will be hired, either full time or part time, to fully service this engagement. If so, provide details. Include evidence of other governmental audit engagements performed by the firm within the last 5 years.
- 4) Submit a copy of the most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. Provide information on the results of any federal or state desk reviews of its audits during the past 3 years. If none, so state.
- 5) Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past 3 years with state regulatory bodies or professional organizations. If none, so state.
- 6) Identify the principal, supervisory and management staff expected to be assigned to this engagement. Provide information on the government auditing experience of each and information on relevant continuing professional education. Provide assurances that field staff will be properly supervised throughout the engagement. Commit to the availability and adequacy of the personnel of the firm to accomplish the proposed scope of work in the time required.
- 7) Provide a minimum of 3 references for similar services rendered within the last 5 years. A contact name, title, phone number, and email address must be provided.
- 8) 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 the Town.

C. Price Proposal

A sealed bid envelope marked RFP AUDIT SERVICES PRICE PROPOSAL must contain an original and 2 copies. It shall include a dated transmittal letter to include the name, address, email and phone number of the contact person. Use the address listed in Section V.A.

The Town will not be responsible for expenses incurred in preparing and submitting the technical or cost proposals.

The proposer shall complete the Schedule of Professional Fees and Expenses for the audit of the 2025 Financial Statements. This is attached as Appendix A. It also requires estimates for four additional years. For this proposal, pricing estimates should assume that the Town will be subject to Single Audit Act requirements. No ACFR will be prepared.

VII. SELECTION PROCESS

A. The Town Review Committee will evaluate the technical proposals. The Committee shall be comprised of the Mayor, Town Administrator, and Treasurer. The Committee will use a point formula during the review process to score proposals. Each member will independently review and score technical proposals. The Committee will then convene to review and discuss the evaluations and combine scores to arrive at a composite technical score for each firm.

After the composite technical score for each firm has been tabulated, the sealed price proposal will be opened and additional points will be added to the technical score. The Town is not required to accept the lowest price proposal.

B. Selection criteria to be used by the Committee are:

- 1) Adherence to the instructions in the request for proposal on preparing and submitting the proposal;
- 2) Specialized experience and technical competence in relevant work in the past 5 years;
- 3) Composition of the partners, principals and staff assigned to the engagement and their qualifications and experience;
- 4) The firm's capacity to perform the work giving consideration to existing workloads;
- 5) The firm's familiarity with problems associated with this type of work;
- 6) References from previous clients as required as part of the technical proposal;
- 7) Price Proposal

C. Final selection

The Review Committee will present its recommendation to the Town Council at its regularly scheduled May 13, 2025 meeting. The presentation will provide a summary of the Review Committee's work to include the firms that submitted proposals, the selection criteria, the independent review and scoring process, and the recommendation of the Committee.

APPENDIX A

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF
THE COMMISSIONERS OF LEONARDTOWN
FY2025 – FY2029 FINANCIAL STATEMENTS

To the Review Committee:

We hereby submit our proposal for “Auditing Services” as indicated in the proposal documents.

Having carefully examined the bid documents and having received clarification on all items of conflict or upon which any doubt arose, the undersigned hereby requests consideration of our firm for award of the referenced contract.

Base Year		
Item #	Description	Total Cost
1	Audit for the Town of Leonardtown (due 10/31)	\$
2	Single audit for the Town of Leonardtown (due 03/31), if applicable	\$
Total Bid for FY2025		\$

Base Year			
Position	Hours	Hourly Rate ¹	Total
Partner		\$	\$
Manager		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Total FY2025			\$

1. Hourly rates to be used for additional professional services required and approved by the Commissioners of Leonardtown.

Year 2		
Item #	Description	Total Cost
1	Audit for the Town of Leonardtown (due 10/31)	\$
2	Single audit for the Town of Leonardtown (due 03/31), if applicable	\$
Total Bid for FY2026		\$

Year 2			
Position	Hours	Hourly Rate ¹	Total
Partner		\$	\$
Manager		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Total FY2026			\$

1. Hourly rates to be used for additional professional services required and approved by the Commissioners of Leonardtown.

Year 3		
Item #	Description	Total Cost
1	Audit for the Town of Leonardtown (due 10/31)	\$
2	Single audit for the Town of Leonardtown (due 03/31), if applicable	\$
Total Bid for FY2027		\$

Year 3			
Position	Hours	Hourly Rate ¹	Total
Partner		\$	\$
Manager		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Total FY2027			\$

1. Hourly rates to be used for additional professional services required and approved by the Commissioners of Leonardtown.

Year 4		
Item #	Description	Total Cost
1	Audit for the Town of Leonardtown (due 10/31)	\$
2	Single audit for the Town of Leonardtown (due 03/31), if applicable	\$
Total Bid for FY2028		\$

Year 4			
Position	Hours	Hourly Rate ¹	Total
Partner		\$	\$
Manager		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Total FY2028			\$

1. Hourly rates to be used for additional professional services required and approved by the Commissioners of Leonardtown.

Year 5		
Item #	Description	Total Cost
1	Audit for the Town of Leonardtown (due 10/31)	\$
2	Single audit for the Town of Leonardtown (due 03/31), if applicable	\$
Total Bid for FY2029		\$

Year 5			
Position	Hours	Hourly Rate ¹	Total
Partner		\$	\$
Manager		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Total FY2029			\$

1. Hourly rates to be used for additional professional services required and approved by the Commissioners of Leonardtown.

NAME AND SIGNATURE REQUIREMENTS FOR BID AND CONTRACTS

The legal business name and principal office AS RECORDED WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION (SDAT) for Maryland shall be used on all forms submitted. A trade name (i.e., a shortened or different name under which the company does business) shall not be used when the legal name is different. Corporations shall have names that comply with State law. The Consultant's signature shall conform to the following:

All signatures shall be made by an authorized officer, partner, manager, member, or employee. The signing of an offer or a contract is a representation and certification by the person signing that the person signing is authorized to do so on behalf of the offeror or Consultant.

CONSULTANT'S LEGAL BUSINESS NAME:	TELEPHONE NUMBER:
PRINCIPAL OFFICE ADDRESS:	WEB ADDRESS:
REMITTANCE ADDRESS: (If Remittance Address is Different from Above Address)	EMAIL ADDRESS:
NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (TYPE OR PRINT)	
SIGNATURE OF ABOVE PERSON	DATE
WITNESS	DATE

Appendix B - Town of Leonardtown – FY2024 Financial Statements