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**INFORMAL REQUEST FOR QUALIFICATIONS (RFQ)  
for  
ANNUAL FINANCIAL AUDIT SERVICES**

**CALLEN INDEPENDENT SCHOOL DISTRICT  
4205 WILDCAT DR.  
CORPUS CHRISTI, TEXAS 78410**

**Issue Date: May 30, 2025**

**DEADLINE FOR SUBMISSION: 2:00 PM CST ON JUNE 18, 2025**

**Qualifications Submission to:  
Calallen ISD  
Attention: Blair McDavid  
Director of Operations  
4205 Wildcat Dr.  
Corpus Christi, TX 78410**

**Qualifications may be mailed, hand delivered, or sent to Blair McDavid via email at  
[bmcdavid@calallen.org](mailto:bmcdavid@calallen.org).**

*The District is an Equal Opportunity employer/program. Historically Underutilized Businesses (HUB's) are encouraged to apply.*

**INFORMAL REQUEST FOR QUALIFICATIONS (RFQ)  
FOR  
ANNUAL FINANCIAL AUDIT SERVICES**

**BACKGROUND INFORMATION**

Calallen Independent School District is soliciting Requests for Qualifications from qualified public accounting firms to perform the annual financial audit for the fiscal year ending August 31, 2025.

Auditing requirements for Texas' public school districts are contained in the [Texas Education Agency Financial Accountability System Resource Guide](#), which is the authoritative document, adopted by reference as a rule of the State Board of Education, through Title 19, [Texas Administrative Code](#), Section 109.41.

**Pertinent District Information:**

- **Student Enrollment** – approximately 3,745 in grades pre-kindergarten through 12, on 6 campuses
- **Employment** – approximately 635 staff members districtwide, that account for 85% of budgeted expenditures
- **General Fund** – The 2024-2025 beginning General Fund operating budget was \$46,292,110.
- **Federal Funds** – Historically the District has expended more than \$5M of federal funds. We anticipate maintaining or exceeding this level of federal expenditures in future fiscal years, thus requiring a Federal Single Audit.
- **Other Funds** – Special Revenue Funds include the District's National School Breakfast and Lunch Program, Campus Activity Funds and all federal, state, and locally funded grants. The Internal Service Funds include the District's workers' compensation plan and the District's Print Shop, which are supported by District contributions. The Agency Fund includes the Student Activity Funds.
- **Financial Software** – The District utilizes both Skyward Finance & Skyward Student.
- **Bonds & Construction** – A \$67,755,000 building program is underway, funded by the May 2023 & May 2024 referendums. More information can be found on the [District's Bond website](#).
- **Investments** – The District limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit and share certificates, fully collateralized repurchase agreements, no-load money market mutual funds, certain municipal securities, banker's acceptances, commercial paper, or investment pools. Currently the District is only utilizing Investment Pools.
- **Property Tax Collections** – Contracted out to the Nueces County Tax Assessor-Collector
- **Activity Funds** – Campus Activity Funds are centralized; revenues are deposited into the District's bank account and expenditures are made through the District's accounts payable position. Student Activity Funds are also centralized like Campus Activity Funds. However, the High School Student Activity Funds utilizes a separate District bank account (centralized bank reconciliation in the Business Office) and expenditures are made through the campuses bookkeeper.

The District's Annual Financial Report for the year ended August 31, 2024, as well as additional budget and financial information, can be found on the [District's Business Office website](#). The District does not prepare a Comprehensive Annual Financial Report.

## PURPOSE & SCOPE

The purpose of the Request for Qualifications is to obtain the services of a public accounting firm for the fiscal year ending August 31, 2025. The audit is to be performed in accordance with:

- Generally accepted auditing standards accepted in the United States of America,
- Standards for financial audits as set forth in the U.S. Government Accountability Office's Government Auditing Standards, known as the Yellow Book,
- Provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and
- The standards contained in the *Texas Education Agency Financial Accountability System Resource Guide*.

The financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial positions in accordance with generally accepted accounting principles, and (2) whether the District has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit will also include determining whether (1) financial reports and related items are fairly presented, (2) financial information is presented in accordance with established or stated criteria, and (3) the District has adhered to specific financial compliance requirements.

As a part of the audit of the basic financial statements, the annual audit will also include obtaining an understanding of the District's internal control and reporting any significant deficiencies or material weaknesses relating to the internal control systems coming to the attention of the auditors. To comply with the *Uniform Guidance*, a study and evaluation of internal control will include internal accounting and administrative controls for all major federal financial assistance programs, in accordance with standards for risk assessment for major federal financial assistance. Any material weakness noted during the study and evaluation of internal accounting and administrative controls and other kinds of noncompliance and questioned costs will be reported in compliance with the Single Audit Act.

As part of the audit of the financial statements, transactions and records pertaining to federal programs will be tested for material compliance with federal laws, rules, and regulations and all instances of noncompliance will be reported to the District.

The audit will include the performance of certain audit procedures for the purpose of reviewing the accuracy of fiscal information provided by the District through the Public Education Information Management System (PEIMS/TSDS), as required by the Texas Education Code (TEC), §44.008(b).

The audit will include procedures applicable to compensatory education funds as required by Module 6 of the *Texas Education Agency Financial Accountability System Resource Guide*, if required.

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

- Independent Auditors' Report on Financial Statements;
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards;
- Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance;

- A Letter to Management containing comments oriented toward constructive improvements; and,
- Other reports as may be required.

The District intends to sell bonds from time to time, which may require the audited financial statements and Auditors opinion to be printed in total or as a part of the section of or addendum to the official statement for bond issues. Also, certification may be required for interest and sinking fund reserve balances as a point in time other than year-end.

The auditor shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Irregularities and Illegal Acts. Auditors shall be required to make an immediate written report of all irregularities and illegal acts of which they become aware to the following parties: the CISD Board of Trustees, the Superintendent, & the Assistant Superintendent for Finance & Operations.

The audit shall be completed by the regularly scheduled December Board Meeting each year (second Monday of the month). The independent auditor will be required to present the audit report to the Board of Trustees at the aforementioned December Regular Board Meeting.

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years after the completion of any work provided in connection with the engagement, unless the firm is notified in writing by the District of the need to extend the retention period. The District and/or its representative may have access to the working papers described above for inspection or reproduction as the District deems necessary. The auditor will be required to make working papers available, upon request, to auditors from the Texas Education Agency, The Government Accountability Office, or other applicable governmental agencies. Otherwise, the working papers are not considered to be records open to the general public.

Subcontracting of any portion of the audit process will not be allowed without the prior written consent of the District.

### **INDEPENDENT AUDITOR**

The interested accounting firm must demonstrate the capability to perform the annual audit in accordance with generally accepted government auditing standards and State Board of Education auditing rules. Public accounting firms that have performed annual audits for similar entities are encouraged to file a proposal.

### **TERM OF THE AUDIT ENGAGEMENT**

The contract for audit services based upon the Board of Trustees approval of the proposal will be for the fiscal year ending August 31, 2025. The district may request to extend this agreement for another four one-year contract renewals through fiscal year August 31, 2029, if service is satisfactory, both parties agree to the renewal terms, the one-year extension is approved by the Board of Trustees, and the annual budget appropriation of District's funds.

## PRESENTATIONS

The District may, but is not obligated to, request that the Qualified Proposer/s make an oral presentation to the District evaluation team reviewing the proposals. The purpose of the presentation will be to clarify and develop a mutual understanding of the Proposer's qualifications and services they propose to render. The presentation will be limited to one hour and will be scheduled on **June 25 or 26, 2025 at a mutually convenient time.**

## PROPOSED SCHEDULE

### Qualifications Timeline

Request for Qualifications Proposal Due to District	June 18, 2025
Presentations of Qualified Firms with District	June 25 & 26, 2025
Request for Pricing from Top Ranked Firm	June 26, 2025
Finalize Pricing and Contract Negotiations with Top Ranked Firm	July 9, 2025
Approval of firm by Board of Trustees	July 14, 2025

### Audit Timeline (subject to change)

Start Interim Field Work	August 1, 2025
Start Final Field Work	October 20, 2025
Draft financial statements and management letter Due	December 5, 2025
Presentation Financial Statements to the Board	December 15, 2025

## EVALUATIONS

The Request for Qualifications Proposal submitted will be evaluated based on the professional expertise, experience qualifications and resources of the Respondents primarily with regard to their demonstrated competence and qualifications pursuant to Texas Government Code Ch. 2254. **Fees will NOT be considered in the evaluation of the Qualifications on the basis of demonstrated competence of those firms responding and must NOT be included in the response to this RFQ.** Fees may be discussed during contract negotiations and only after one or more firm/s have been selected, which is consistent with the requirements under Texas Government Code Chapter 2254.

Evaluation will be completed by the District's evaluation team selected to review the proposals. The District evaluation team will include but is not limited to the Superintendent, Assistant Superintendent for Finance & Operations, and Director of Business Services. In accordance with Education Code 44.031(b) and Government Code 2269.155, in evaluating qualified proposals for contract award, the District will use the Best Value Method to determine the highest ranked firm. In determining Best Value, the District will consider the evaluation criteria and scale listed in this Request for Qualifications document section titled Proposal Content.

The District reserves the right to reject any and all qualifications, and to negotiate portions thereof. Qualifications that address only part of the requirements contained in this Request for Qualifications will not be considered

## BOARD APPROVAL

The School Board delegated the authority to the Superintendent to rank and select one or more firm(s) for annual financial audit services pursuant to Texas Government Code Ch. 2254 based on their demonstrated competence and qualifications and further delegate authority to the Superintendent to negotiate an agreement with the top-ranked firm(s) or a fair and reasonable price in a form approved by

legal counsel. The Superintendent will bring back the final negotiated agreement for the Board to consider and take action to approve at a future Board meeting, anticipated to be July 14, 2025.

## **PROPOSAL DEADLINE AND INSTRUCTIONS**

Request for Qualifications proposals must be **mailed, hand delivered, or emailed** to:

Calallen Independent School District  
Attention: Blair Mc David  
4205 Wildcat Dr., Corpus Christi, TX, 78410  
Email: [bmcdavid@calallen.org](mailto:bmcdavid@calallen.org)

**Proposal envelopes must be plainly marked on the outside with the Respondent's name and address and CALLEN ISD – RFQ FOR ANNUAL FINANCIAL AUDIT SERVICES.**

**The District will not accept responses by oral communication, telephone, electronic mail, telegraphic transmission, fax transmission, or other electronic means.**

Respondents are solely responsible for the timely delivery of their proposal response based on the instructions in this RFQ. Responses received after the deadline will be rejected and shall be returned to the Respondent(s) unopened. No provisions or exceptions are made for late delivery due to actions or consequences of third-party carriers. The District is not responsible for notifying Respondents of receipt of proposals delivered by third-party carriers.

If mailed or hand delivered, a complete response will consist of one (1) clearly marked original containing original signatures, and four (4) clearly marked exact copies using standard letter size paper (8.5" x 11") Your proposal package must be **plainly marked with the RFQ Title above**. The 'original' response shall prevail in the event of a discrepancy between the Respondent's submissions. If multiple copies are received through a variety of delivery methods, the copy marked 'original' will prevail. If none of the copies are marked 'original', then the copy received first will prevail regardless of delivery method.

**All Proposers must utilize the provided Attachment A - Procurement Proposal Response Packet & the Attachment A Required Proposal Enclosures as means of response to be considered.** All pages in the provided packet must be completed, all required signatures present, and all required enclosures with supplemental information to be considered. Proposals and responses shall be direct, concise, and complete; prepared in a manner that provides a straightforward description of the respondent's ability to meet the requirements set forth in the RFQ. Emphasis should be on completeness, clarity of content, responsiveness to the requirements, and an understanding of the District's needs. When submitting a proposal, it is required that Respondents have the necessary professional experience, prior training, and applicable professional judgment to perform the activities proposed to supply the services requested by this RFQ.

Technical Assistance and Requests for Clarification/Interpretation: Proposers should submit questions regarding this procurement in writing via the following point of contact: Blair McDavid, Director of Operations, [bmcdavid@calallen.org](mailto:bmcdavid@calallen.org).

**The respondents SHALL NOT contact in any manner, nor deliver gifts or other items, to any District employee (other than the point of contact listed herein for questions and submissions), School Board member, or District consultant during this proposal solicitation, evaluation, and award process without prior approval of the Director of Operations. This restriction extends to "thank you" letters, phone calls,**

**emails and any contact that results in the direct or indirect discussion of the RFQ and/or Qualifications submitted by Respondents. Failure to comply will result in disqualification.**

### **PROPOSAL CONTENT**

**All Proposers must utilize the provided Attachment A - Procurement Proposal Response Packet as means of response to be considered.** All pages in the provided packet must be completed, all required signatures present, and all required enclosures with supplemental information to be considered. For the required enclosure, the Proposers must use the following format (including the heading and numbering system) and address the content of each section.

### **COVER LETTER**

Proposals must include a cover letter clearly stating the name of the firm and the name, address, and telephone number of the interested accounting firm's representative.

### **MANDATORY CRITERIA**

Qualifications will not be considered for further evaluation unless there is compliance with all of the following criteria. The interested accounting firm:

1. Must be an independent auditor properly licensed for public practice;
2. Must meet the independence standards of Government Auditing Standards, U.S. Government Accountability Office (GAO);
3. Must not have a record of substandard work; and
4. Must submit a proposal meeting all the requirements of the Request for Qualifications.

### **CRITERIA ONE: Technical Component (25 points)**

To demonstrate the public accounting firm's understanding of the work to be done, the interested firm will:

1. Provide a definition of the term "generally accepted government auditing standards" with clear distinctions between these standards and generally accepted auditing standards for nongovernmental engagements;
2. Explain the firm's approaches to performing an annual audit, including the methodology (statistical sampling, analytical procedures), nature, timing and extent of audit procedures to be performed;
3. Describe how the approach to performing the audit would be affected if this were a multiyear contract; and
4. Make a statement concerning the independence of the interested accounting firm, including direct and indirect financial interest, and the relationship of the proposed audit team to employees of the District and any of the District's board members.

### **CRITERIA TWO: Management Component (45 Points)**

The interested accounting firm will furnish satisfactory evidence of capability to provide in a professional and timely manner the services stated in the Request for Qualifications. To meet this requirement:

1. Provide the name of the external quality control review organization of which the interested firm is a member and the length of its membership. Also, state the review organization's planned frequency of peer reviews;
2. State whether the firm has received a peer review and whether in the most recent review an unqualified report was issued;
3. State whether the firm is a national, regional, or local public accounting firm;

4. Provide evidence that the interested accounting firm has experience in performing school district/government audits; list current and past audit clients along with the names and telephone numbers of contact persons and number of years of audit services were provided; state the average daily attendance of the public schools on the list;
5. State whether the interested accounting firm is currently under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and licensing boards of other states;
6. Describe the proposed audit team, in terms of job positions in the firm;
7. List names of staff member(s) who will direct the overall audit throughout the duration of the engagement as well as those staff members who will be responsible for planning, directing, and conducting substantial portions of the fieldwork or reporting on this audit engagement; include the educational background of all staff members named and professional licenses held and their applicable experience auditing school districts/governmental entities;
8. Describe continuing professional education in governmental accounting and auditing received by the proposed audit team during the last four years;
9. Provide the names and qualifications of any needed outside specialists and consultants that will assist the interested accounting firm's staff members;
10. Describe staff rotation plans for audit team members if this is to be a multiyear contract;
11. Describe the level of assistance that will be expected from district personnel, including internal finance staff; and

**CRITERIA THREE: Task/Activity Plan (30 Points)**

The interested accounting firm will specify budgeted hours, time lines and sequence for audit procedures, and names of staff to be assigned. Work performed below the Audit Senior level may be referred to by title rather than name in the task/activity plan. Please provide the hourly rates and the estimated hours for each audit team member that will be charged to this project.

The task / activity plan should indicate:

1. Expectations of the level of assistance from District personnel (including preparation of supporting schedules). In addition to the preparation of the various items listed under Special Conditions 4.0, the District will prepare supporting schedules. See the list of supporting schedules that have been prepared in previous years in Attachment B.
2. Expectations of the level of assistance from District internal audit staff to perform portions of the audit test work. Include the related fee reduction for this assistance.

**REMINDER, DO NOT STATE THE FEE ESTIMATE AT THIS TIME.** The Request for Qualifications Proposal submitted will be evaluated based on the professional expertise, experience qualifications and resources of the Respondents primarily with regard to their demonstrated competence and qualifications pursuant to Texas Government Code Ch. 2254. **Fees will NOT be considered in the evaluation of the Qualifications on the basis of demonstrated competence of those firms responding and must NOT be included in the response to this RFQ.** Fees may be discussed during contract negotiations and only after one or more firm/s have been selected, which is consistent with the requirements under Texas Government Code Chapter 2254.