CITY OF CASCADE

REQUEST FOR PROPOSALS

Professional Independent Auditing Services

Issue Date: *August 27, 2026*

Proposal Due Date/Time: *September 25, 2026, at 5:00 PM MDT*

Submit To: *Clearwater Financial, LLC at info@clearwaterfinancial.biz*

Contact: *info@clearwaterfinancial.biz*

I. Introduction and General Information

The City of Cascade (the "City") is requesting proposals from qualified independent public accounting firms ("Proposer" or "Auditor") to provide professional auditing services in accordance with the terms of this Request for Proposals ("RFP").

The audit is to be performed in accordance with generally accepted auditing standards, the standards for financial audits set forth in the U.S. Government Accountability Office's Government Auditing Standards ("Yellow Book"), the requirements of the Uniform Guidance (2 CFR Part 200, Subpart F), and Idaho Code § 67-450B (Independent Financial Audits of Local Governmental Entities — Filing Requirements), to the extent applicable.

Idaho Code § 67-450B requires that audits of Idaho local governmental entities be performed by independent auditors in accordance with generally accepted governmental auditing standards, that the auditor be engaged under written contract, and that a copy of the completed audit report be filed with the Idaho Legislative Services Office within nine (9) months after the end of the audit period.

There is no expressed or implied obligation on the part of the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. The City reserves the right to reject any or all proposals submitted, to negotiate with any qualified source, or to cancel in whole or in part this RFP if it is in the best interest of the City to do so.

The City intends to select a firm on the basis of qualifications, experience, and proposed approach, with cost as one of several factors considered rather than the sole determining factor.

II. Term of Engagement

The City intends to enter into a contract for the audit of fiscal year ending September 30, 2026, with the option, at the mutual agreement of the City and the selected firm, to renew the engagement annually for up to 4 additional one-year periods, subject to satisfactory performance, the annual appropriation of funds, and agreement on fees. Any renewal is subject to approval by the City Council.

III. Background Information

The City of Cascade is a municipal corporation organized under the laws of the State of Idaho, providing general governmental services to its residents, including [public safety, public works, parks and recreation, water/sewer utilities, planning and community development].

The City operates on a fiscal year beginning 10/1/2026 and ending 9/30/2027. Key background figures for the current fiscal year are as follows:

Item	Detail
Estimated population	1,024
Total annual budget (all funds)	$10,828,785
Number of funds to be audited	10 Funds – General, Streets & Alley, Library, Cemetery, Parks, Airport, Local Option Tax, Geothermal, Water, and Sewer
Number of full-time employees	10
Federal/state financial assistance expended (prior FY)	Federal - $312,274.17 / State - $1,589,497.23

Pension/OPEB plans	PERSI
Component units / discretely presented entities	N/A
Prior auditor	Zwygart John & Associates, CPAs, PLLC
Accounting/financial system	Caselle

Copies of the City's most recent Annual Comprehensive Financial Report (ACFR) and management letter are available upon request and may be attached as Appendix A.

IV. Scope of Services

The selected firm will be expected to perform the following services:

- An audit of the basic financial statements of the City of Cascade in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, resulting in an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles (GAAP).
- If applicable based on federal expenditure thresholds, a Single Audit in accordance with the Uniform Guidance (2 CFR Part 200, Subpart F), including a report on internal control over financial reporting and compliance, and a report on compliance for each major federal program.
- Audit of any component units, pension trust funds, or other funds required to be separately audited or reported.
- Issuance of a management letter (or report on internal control matters) communicating any significant deficiencies, material weaknesses, or other recommendations noted during the audit.
- Assistance with the preparation of the Annual Comprehensive Financial Report (ACFR), if requested, including data collection form submission to the Federal Audit Clearinghouse, as applicable.
- Communication with those charged with governance (e.g., City Council and/or Audit Committee) in accordance with applicable auditing standards, including an entrance conference, exit conference, and presentation of results.
- Such other audit and accounting services as may be reasonably required and mutually agreed upon during the term of the engagement.

The audit is not to be construed as an engagement to detect fraud or defalcation; however, the auditor shall be responsible for adequately planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, in accordance with applicable auditing standards, and shall promptly notify the City of any such findings.

V. City Responsibilities and Auditor Access

The City will provide the following to facilitate the audit:

- Reasonable workspace, access to relevant staff, and access to financial records, systems, and supporting documentation necessary to complete the audit.
- Preparation of standard confirmation requests, trial balances, and supporting schedules in accordance with a mutually agreed-upon timeline (“prepared-by-client” or PBC list).

- A single point of contact within the Finance Department to coordinate information requests.

VI. Proposal Requirements

Proposers must submit both a Technical Proposal and a separate, sealed Cost Proposal. The Technical Proposal shall not reference cost information. At a minimum, the Technical Proposal shall include the following sections:

A. Transmittal Letter

A letter signed by an individual authorized to bind the firm, summarizing the key points of the proposal and affirming the firm's understanding of the scope of work and its ability to meet all deadlines.

B. Firm Profile and Qualifications

- Organization, size, and ownership structure of the firm, including the office location(s) that will perform the work.
- Licensing status of the firm and assigned staff as certified public accountants in the State of Idaho.
- A copy of the firm's most recent external quality control (peer) review report and any letter of comments, along with the firm's response.
- Disclosure of any disciplinary action taken, or pending, against the firm by any state licensing authority, the PCAOB, or other regulatory body within the last three years.
- Evidence the firm meets independence requirements of Government Auditing Standards with respect to the City.

C. Governmental Audit Experience

- A summary of the firm's experience auditing municipalities or other governmental entities of comparable size and complexity, including a minimum of three references (entity name, contact, phone/email, scope and duration of engagement).
- Experience performing Single Audits under the Uniform Guidance.

D. Engagement Team and Staffing

- Resumes of the partner, manager, and other key staff to be assigned, including relevant governmental audit experience, continuing professional education in governmental accounting/auditing, and any relevant certifications.
- Anticipated level of involvement of the partner and manager, including estimated hours by staff level.

E. Audit Approach and Work Plan

- A description of the firm's proposed audit methodology, including use of technology, sampling approach, and any planned reliance on internal controls.
- A proposed timeline identifying key milestones (planning, interim fieldwork, year-end fieldwork, draft report delivery, final report delivery, presentation to Council).
- Identification of anticipated audit areas requiring significant auditor judgment or that may present particular audit risk.

F. Cost Proposal

The Cost Proposal shall include an all-inclusive maximum fee for each year of the engagement (including any renewal option years), presented by major service component (financial statement audit, Single Audit if applicable, ACFR assistance, etc.), and an hourly rate schedule by staff classification to be used for any additional services requested outside the defined scope.

VII. Evaluation Criteria and Selection Process

Proposals will be evaluated by a review committee designated by the City. The City reserves the right to request oral interviews, presentations, or clarifications from any or all Proposers prior to final selection. Proposals will be evaluated based on the following criteria:

Evaluation Criterion	Weight
Firm qualifications, governmental audit experience, and peer review results	25%
Qualifications and experience of the assigned engagement team	25%
Audit approach, work plan, and proposed timeline	10%
References	5%
Cost proposal	35%

VIII. Submission Instructions and Schedule

Milestone	Date
RFP issued	Thursday, August 27, 2026
Deadline for written questions	Thursday, September 10, 2026
City responses to questions issued (addendum)	Wednesday, September 16, 2026
Proposals due	Friday, September 25, 2026
Interviews/presentations (if held)	Wednesday, September 30 – Friday, October 2, 2026
Anticipated Council award	Monday, October 12, 2026

Per Idaho Code § 67-450B, the completed audit report must be filed with the Idaho Legislative Services Office within nine (9) months after the end of the audit period; the proposed engagement timeline and report delivery dates above should be structured to comfortably meet this statutory deadline.

The City reserves the right to modify this schedule at its discretion. Any changes will be communicated to all firms that have submitted a notice of intent to propose or that have requested to be added to the City's vendor notification list.

Submission Format

- Proposals should be emailed to info@clearwaterfinancial.biz.
- Proposals must be received via email no later than September 25, 2026 at 5:00 MDT. Late proposals will not be considered.

Submit to: info@clearwaterfinancial.biz.

Questions: *please email them to info@clearwaterfinancial.biz*

IX. General Terms and Conditions

- The City reserves the right to reject any or all proposals, to waive minor informalities or irregularities in proposals received, and to accept the proposal deemed most advantageous to the City.
- This RFP does not commit the City to award a contract, pay any costs incurred in the preparation of a proposal, or procure or contract for services.
- The selected firm will be required to execute a professional services agreement with the City in a form acceptable to the City Attorney, incorporating the terms of this RFP and the firm's accepted proposal.
- Proposals submitted become the property of the City and, subject to applicable public records law, may be subject to public disclosure after contract award.
- The selected firm must carry professional liability (errors and omissions) insurance and general liability insurance in amounts acceptable to the City and must provide certificates of insurance upon request.
- The City is an equal opportunity entity, and proposers must comply with all applicable federal, state, and local equal employment opportunity and non-discrimination requirements.

X. Required Proposal Signature Page

The undersigned certifies that they are authorized to submit this proposal on behalf of the firm named below, that the information contained in the proposal is true and accurate, and that the firm agrees to be bound by the terms of this RFP for a period of 90 days from the proposal due date.

Firm Name: ____

Authorized Signature: ____

Printed Name / Title: ____

Date: ____