



**BOROUGH OF ALBURTIS
LEHIGH COUNTY, PENNSYLVANIA**

REQUEST FOR PROPOSAL

AUDITING SERVICES

FOR YEARS ENDING:

DECEMBER 31, 2025
DECEMBER 31, 2026
DECEMBER 31, 2027
DECEMBER 31, 2028 (OPTIONAL)
DECEMBER 31, 2029 (OPTIONAL)

BOROUGH OF ALBURTIS
260 Franklin Street
Alburtis, PA 18011
www.alburtis.org
610-966-4777

Stephen Nemeth
Borough Manager

February 11, 2026

**Borough of Alburtis
Request for Proposal
Auditing Services**

Introduction

The Borough of Alburtis, Lehigh County, PA, is seeking proposals for auditing services for the years ending December 31, 2025, 2026, and 2027, as well as options for both 2028 and 2029.

The Borough of Alburtis is a municipal borough within the Commonwealth of Pennsylvania and is operated under an elected 7-member Council, as well as a mayor serving four-year terms. Day to day operations are governed by a Borough Manager. The Borough desires the auditor to express an opinion on the fair presentation of its basic financial statements in accordance with the cash basis of accounting. The Borough of Alburtis has a population of 2,591 as of the 2020 U.S. Census. The work force consists of approximately 17 employees between the Administrative Office, Public Works, and Police Department.

The approved 2026 General Fund revenue is \$2,289,411 and \$2,284,485 for expenditures. The approved Water Fund revenue is \$373,067 and \$345,918 for expenditures. The Sewer Fund revenue is \$646,343 and \$643, 931 for expenditures. The approved Fire Fund revenue is \$104,021. The State Liquid Fuels Fund revenue is \$78,635.41. Trash services are provided to Borough of Alburtis residents. There are currently 949 per unit bases for refuse. The Borough staff utilizes QuickBooks software for accounting entries and budgeting, and payroll.

Scope of Service

Conduct audits with the objectives of issuing full reports for the calendar years of 2025, 2026, 2027, 2028 (optional), and 2029 (optional). Also, the auditor will be required to:

Complete the Department of Community and Economic Development (DCED) audit report and file it with the DCED and Lehigh County by the state deadline as required by the Pennsylvania Borough Code.

Provide to the Borough by March 31st of each year the Concise Financial Statement for publication and file electronically on the PA DCED website on behalf of the Borough.

The following are the Borough funds, and the audit will include all funds:

- General Fund
- Sewer Fund
- Water Fund
- Fire Tax Fund
- Capital Projects Fund
- Debt Service Fund
- Liquid Fuels Fund (detailed audit conducted by the state)
- Agency Funds and Escrow Accounts

The Borough Manager and Treasurer are responsible for providing all financial records and related information to the auditing firm and are responsible for its accuracy. The Borough will provide an appropriate and suitable work area with access to the copier, fax, telephone and wireless internet service.

The audit shall be conducted in accordance with United States Generally Accepted Auditing Standards and Generally Accepted Accounting Principles and promulgations of the Government Accounting Standards Board. The auditor shall communicate to management and the Borough Council any significant deficiencies or material weaknesses that became known during the course of the audit.

The auditors shall provide notification to the Borough Council of any difficulties encountered during the audit, any fraud or material misstatement concerning the finances, illegal acts and any matters related to the financial statements or accounting practices.

Upon completion of the 2025 (and subsequent) audit, the auditor shall issue a report concerning the fair presentation of the financial statements in conformity with the modified accrual basis of accounting. Any irregularities must be reported immediately to the Borough Manager and the Borough Council. Any suggestions for improvement shall be submitted to the Borough Manager by issuance of a Management Letter. The auditor shall comply with all financial reporting requirements and submissions to PA DCED and all other required governing bodies, including but not limited to the submission of the required DCED financial statements by March 31st of each year. The final audit shall be complete no later than June 1st. The auditor shall present the audited financial statements to the Borough Council and/ or Borough Manager prior to July 1st each year.

All relevant auditing and accounting standards should be considered as a part of the engagement including all Governmental Accounting Standard Board statements up to and including GASB Statement# 71, posting information from GASB # 67 and # 68 pension reports.

Additional Services

It is expected that the firm retained be available throughout the year for routine questions concerning accounting issues, procedures, GASB statements, and other financial matters as appropriate at no additional cost.

Any specialized grant reporting requirements beyond the scope of this RFP will be negotiated separately, as well any special consulting projects that may be necessary.

Audit Environment:

The Borough will provide working space for, and access to, all financial and compliance files. Working space will include desks/ tables; chairs; reasonable use of office equipment such as

telephones, copiers, and fax machines; and network / Internet connectivity where deemed appropriate by the Borough. The firm is expected to provide its own personal computers. Any necessary minutes of meetings, organizational data, contracts, policies, and financial records will be available for review. Audit fieldwork will be conducted on-site and records will not be allowed to be removed from the Borough building.

Working Paper Retention and Access to Working Papers. All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Borough of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Borough. In accordance with the requirements of Government Auditing Standards, the auditor is required to provide access to the working papers and photocopies thereof to a federal agency or the Comptroller General of the United States upon their request for their regulatory oversight purposes. If such a request is made, the auditor will inform the Borough prior to providing such access.

Qualifications

Minimum qualifications for all respondents are as follows:

1. Currently licensed in the Commonwealth of Pennsylvania to practice as Certified Public Accountants.
2. Practicing as a Certified Public Accountant for a minimum of five (5) years prior to the date of their proposal.
3. Performed auditing services for municipal government units in Pennsylvania for a minimum of five (5) years prior to the date of their proposal.
4. Currently a member of the American Institute of Certified Public Accountants and the Pennsylvania Institute of Certified Public Accounts and adhere to the professional standards of audit practices and conduct.
5. The ability to obtain and provide to the Borough a certificate of insurance for liability and worker's compensation coverages for any staff, employees, agents, etc. of the firm prior to the start of any work at Borough facilities.

Proposal Elements

All bidders are required to submit an original and two (2) copies of their proposal to the Borough on or before 1:00 p.m. on March 4th, 2026. All proposals shall be sealed and shall be marked "Proposal for Auditing Services".

To ensure a uniform review process and to maximize comparability, all proposals must include the following content and be organized in the format below. Proposals must be for auditing the entire package.

1. Title Page - Indicate "Proposal for Independent Auditing Services", with the date, name of firm, physical and mailing address(es), telephone number(s), and principal contact person.
2. Table of Contents - Identify the proposal content by section and page number.
3. Transmittal Letter -Address the letter to "Borough of Alburtis", and in no more than two pages:
 - a. Briefly summarize your firm's understanding of the services to be performed.
 - b. Indicate your level of commitment to supervising, staffing and completing the work within the required time periods.
 - c. Give the names, titles, postal and email addresses, and telephone numbers of the persons authorized to represent your firm in regard to the proposal.
4. Business Profile - Describe your firm in regard to:
 - a. Organizational size, structure, length of time in business, locations of main and any branch offices.
 - b. Provide the number and level of all auditing staff to be assigned to this engagement. Also, estimate the expected number of hours at each level, at least for the first year.
 - c. List the number of partners the firm has, total number of CPA's (including partners), and total number of employees for the firm.
 - d. List the percentage of overall firm billings that are municipal/ governmental clients, including audits.
 - e. Location of the office from which the work is to be done, and number and type of professional staff employed there.
 - f. Range of activities - auditing, accounting, management, consulting, etc. -available from the office that would perform the proposed services.
 - g. General experience in auditing government, non-profit, and commercial entities.
5. Independence - The firm should provide an affirmative statement that it is independent of the Borough as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards. The firm should also list and describe the firm's professional relationships involving the Borough or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the Borough written notice of any professional relationships entered into during the period of this agreement.

6. Firm Qualifications and Experience - Describe any factors that are relevant to your ability to successfully perform this engagement. At minimum, include detail of the firm's governmental experience, the size of the firm, the size of the firm's governmental auditing staff, affirmation that the proposer is a CPA or firm of CPAs and meets the independence standards of the General Accounting Office's Government Auditing Standards, and affirmation that the firm and all assigned key professional staff are properly licensed to practice in Pennsylvania.
7. Audit Team Qualifications and Experience - Identify the audit staff that is to be assigned to this engagement, and describe their relevant qualifications and experience. Include a breakdown of the percentage of work that will be performed by each staffing level; i.e.; how much time each for partner, supervisor, director, etc. that will work on the audit. In addition, list all qualifications and provide detailed resumes of key staff that would perform work on the Borough's audit.
8. Specific Audit Approach - Set forth a Work Plan, including an explanation of the audit methodology to be followed, to perform the services required in this RFP.
9. A Work Plan with a schedule indicating when the data should be available from the Borough staff, when the audit will be completed and required reports submitted. Provide the following:
 - a. A full statement of your understanding of the work to be performed under this contract.
 - b. A description of how your firm would plan to implement each audit at the supervisory and field levels, and assure quality of staffing and work during the contract. The description should include an overview of the audit methodology your firm would use including detail of your use of technology. Also, describe how the firm typically communicates with the client on an engagement of this size.
 - c. An annual estimate of the total hours, by staffing level, that are anticipated to be spent on each year of the engagement.
 - d. An annual timetable that identifies each major segment of work, projects a completion date for each activity, and ensures delivery of the reports in compliance with deadlines.
10. Implementation of New Accounting Standards - Detail the firm's experience in assisting clients with the preparation for, and implementation of, new accounting standards, particularly statements issued by the GASB.
11. Peer review- Include a copy of your most recent Peer Review report. The firm shall also provide information on the results of any federal or state desk reviews for field reviews of its audits during the last three (3) years. 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.

12. Disciplinary Action - Include any information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations.
13. Similar Engagements with Other Government Entities -List the five most similar engagements performed in the last five years that are comparable to the engagement described in this RFP, and indicate the years covered by those engagements. The Borough shall utilize this list for reference purposes as well. For each of the five clients listed, provide the primary audit contact's name and contact information. In addition, list all government agencies over the past five years in which you have conducted audit work.
14. Indemnification to hold The Borough of Alburtis harmless for any claims, losses or damage arising out of the performance of the work.
15. Price quote to perform the audit in compliance with the required services as included at the end of this document.
 - a. Term of Engagement Contract Period - The agreement shall become effective immediately upon execution by all parties with implementation of all specified services to take place for the audit of fiscal year ending 2025. The agreement may be extended at the discretion of the Borough.

Submit your proposed pricing for both the initial three-year period (on an annual basis), and the potential of two additional years of contract extensions. Pricing shall represent all-inclusive fees, covering the services of any personnel assigned to the audit. No reimbursements will be paid for out-of-pocket expense such as for travel, lodging, and subsistence.

In addition, submit an hourly rate for any ancillary service that the Borough may have to request on occasion from time to time. Ancillary services would be technical assistance for complicated matters, such as complicated financial analysis, etc. General conversations and advice, as previously stated, shall be included in the set pricing. The bidder shall detail the type of work that would be included in the separate hourly rate. The successfully selected auditor shall be required to inform the Borough that the services they are providing, prior to providing them, shall be billed on an hourly rate, otherwise, the Borough shall have the right to reject payment.
 - b. Compensation - Compensation for services shall be a fixed price for each year of the agreement. The fixed fee shall include a minimum number of hours to be allocated to the partner-in-charge, supervising manager, and field staff. Upon request, the firm will provide the Borough with a statement of chargeable hours to substantiate billings. Any annual options extensions shall be performed at the prices bid in this RFP.
 - c. Termination of Contract - Following the implementation, should the Borough find that the firm has failed in any material respect to perform its obligations under the agreement; the Borough may cancel the agreement. The firm shall be

liable for damages from such breach including reasonably foreseeable incidental and consequential damages. Should the Borough find that the provision of auditing services under the terms of the agreement precludes the Borough from administering its duties in an effective and efficient manner, the Borough may cancel the agreement upon 180 days written notice to the firm. In such an event, the Borough shall compensate the firm at the pro rata hourly rate for services performed through the effective date of the cancellation which shall be in full and complete satisfaction of the firm's claims. The firm shall promptly return all workpapers and work in progress to the Borough. The firm shall provide the Borough at least 180 days prior written notice of its intent to terminate any agreement.

If the Borough chooses extend the contract for optional years, the Borough shall inform the firm no later than 90 days prior to the expiration of the contract.

16. Authorized Signature - Have your proposal signed only by an individual authorized to bind the firm to its offer and to the terms, conditions, requirements, and specifications of this RFP.

Sealed Dollar Cost Proposal:

- A. Total All-Inclusive Maximum Price - The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The Borough will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost proposal. Such costs should not be included in the proposal.
- B. Fixed Fees by Category - The dollar costs proposal should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix A), that supports the total all-inclusive price.
- C. That dollar cost that would be charged to create the Government-wide Statements using the information provided. The total all-inclusive maximum price to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses, as well as other advice and assistance outlined in this **RFP**.
- D. Rates for Additional Professional Services - If it should become necessary for the Borough to request the auditor to render any additional services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Borough and the firm. Any such additional work agreed to between the Borough and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost proposal.
- E. Manner of Payment Progress - Payments to the firm by the Borough will be made on the basis of hours of work completed during the course of the engagement in accordance with

the firm's dollar cost proposal. Interim billings shall cover a period of not less than a calendar month. The Borough reserves the right to withhold ten percent (10%) from each billing pending delivery of the firm's final reports.

Evaluation Process & Key Dates

Only proposals that adhere to all instructions in this RFP will be considered in the evaluation process. Qualifying proposals will be evaluated by the Borough Manager, Treasurer and the Personnel Committee. Fees will not be the primary factor in the evaluations. Proposals will be evaluated on all of the items listed in this RFP. The proposal calendar is as follows:

Distribution of RFP	February 11, 2026
Last day to submit questions	February 26, 2026
Deadline for proposal submissions	March 4, 2026
Auditor selection	March 11, 2026

Those submitting proposals may be required to provide a short presentation to the Board of Commissioners about the proposal.

The Borough reserves the right to reject any and all proposals and to waive any immaterial irregularities.

It is anticipated that an agreement for services shall be awarded by the Borough Council at their regular meeting at 7:00p.m. on March 11, 2026. All proposals shall remain valid until the service is awarded. Release of any proposal information shall be conducted in accordance with the Pennsylvania Right to Know Act.

Proposal Submission

All inquiries for information should be directed to:

Stephen Nemeth, Borough Manager
snemeth@alburtis.org
610-966-4777
Monday- Friday, 8:30 a.m. to 4:00 p.m.

The sealed proposal should be mailed or delivered directly to:

Borough of Alburtis
Attn: Stephen Nemeth, Borough Manager
PO Box 435
260 Franklin Street
Alburtis, PA 18011

Sealed proposals will be received until 1:00 p.m. on March 4th, 2026

Terms and Conditions

Although the initial period to be audited is from January 1, 2025, through December 31, 2027, the proposal should include all of the following: all-inclusive fee for each of the five (5) years.

There is no expressed or implied obligation for the Borough of Alburtis to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Selection of the audit firm will be within the sole discretion of the Borough. The Borough reserves the right to accept, reject, or modify proposals in part or in entirety. It is the responsibility of each provider to examine carefully the requirements before submitting their proposal. Submission of a proposal indicates acceptance of the conditions contained in this Request for Proposal, unless clearly and specifically noted in the proposal submitted and confirmed **in** the proposal agreement between the Borough and the respondent selected.

Any questions related to this **RFP** should be directed to Stephen Nemeth, Borough Manager, at snemeth@alburtis.org Contact with personnel of the Borough other than the Borough Manager regarding this RFP may be grounds for elimination from the selection process.

Appendix A
Borough of Alburtis Auditing Service
Proposal

Name of Firm: _____

Location of Office Staffing the Audit: _____

Professional Audit Staff Assigned to Borough (Number) _____

Certified professional Staff Assigned to Borough (Number) _____

Pennsylvania Municipal Audit Clients _____

(List 2024-2025 Engagements for _____

Municipalities with population of _____

2,500 or more) _____

(Please list additional clients on separate page)

Audit Fees

Auditing service quotation -Annual Fixed Payment Per Year:

Audit	<u>Written in Words (Dollars and Cents)</u>	<u>Written in Numbers/ Figures</u>
2025 Audit	_____	_____
2026 Audit	_____	_____
2027 Audit	_____	_____
2028 Audit	_____	_____
2029 Audit	_____	_____
Total	_____	_____

_____ (Firm)

_____ (Telephone)

_____ (Authorization Signature)(Title)

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_____ (Date)