



City of Friendswood

To: Audit Firms
From: Cindy S. Edge, Director of Administrative Services
Date: April 9, 2015
Subject: Audit Services Request for Proposal

The City of Friendswood, Texas is soliciting proposals from qualified firms of certified public accountants to audit the City of Friendswood's financial statements for the fiscal year ending September 30, 2015, 2016, and 2017 with the option of auditing the City of Friendswood's financial statements for the three (3) subsequent fiscal years. The contract with prior audit firm has expired.

Enclosed for your consideration is a Request for Proposal (RFP), with all attachments.

To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in the RFP. Completed proposals must be received at the address listed below by **2:00 p.m. on Tuesday May 5, 2015.**

City Secretary's Office
Attention: Melinda Welsh, City Secretary
City of Friendswood
910 S. Friendswood Drive
Friendswood, TX 77546

All questions and correspondence should be directed in writing at the above address or by email to Cindy S. Edge, Director of Administrative Services, cedge@friendswood.com or Rhonda Boskas, Deputy Director of Administrative Services – Accounting, rbloskas@friendswood.com. Contact with the City of Friendswood personnel other than the individuals named herein regarding this RFP may risk elimination from further consideration.

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I. INTRODUCTION

A. General information

The City of Friendswood seeks proposals from a qualified company/firm for External Auditing Services.

B. Proposal Information

Inquiries concerning the request for proposals should be addressed to Cindy Edge, Director of Administrative Services.

Deadline for Proposals is 2:00 p.m. on May 5, 2015.

Submit Proposals by Mail or Hand Deliver to:

City Secretary's Office
Attention: Melinda Welsh, City Secretary
City of Friendswood, Texas
910 S. Friendswood Drive
Friendswood, Texas 77546

Submission of Proposals – Two original copies of the proposal should be submitted.

Acceptance - All proposals must include a statement that they are valid for a minimum period of ninety (90) days subsequent to the RFP closing date.

Late Proposals - Late proposals will not be considered. Proposals received after the deadline will be returned to the Proposer unopened. The City reserves the right to reject any or all proposals submitted. Each Proposer shall be solely responsible for ensuring that the City receives the proposal within the time limit indicated.

Contract - The City may require a formal contract to be executed containing all provisions included in the proposal.

Non-appropriation - The City may cancel the contract should the present or any future City Council not appropriate funds in any fiscal year for the payment of this agreement. No penalty shall attach in the event of any such non-appropriation. In the event of non-appropriation, the City shall give the successful Proposer written notice of cancellation and the City shall not be obligated to make any payments beyond the end of the fiscal year for which funds were appropriated (related to a subsequent fiscal year).

Costs - Costs related to preparation of a response shall be the responsibility of the Proposer. There is no express or implied obligation for the City to reimburse the Proposer for any costs or expenses incurred in the preparation and submission of the proposal.

Right of rejection - The City reserves the right to reject any or all proposals submitted and to waive any informality in proposals received. Proposals submitted will be evaluated by City Staff.

Clarification or additional information requested - During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarification from Proposers, or to allow corrections of errors or omissions. At the discretion of the City, Proposers may be requested to make oral presentations as part of the evaluation process.

Right of retention - The City 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 firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

Award - It is anticipated the Friendswood City Council will award the contract for Professional Audit Services on June 1, 2015 or as soon thereafter as possible.

C. Term of Engagement

A three-year contract is contemplated, subject to the annual review and recommendation of the Director of Administrative Services and City Manager, the satisfactory negotiation of terms (including price acceptable to both the City and the selected firm), the concurrence of the Friendswood City Council and the annual availability of an appropriation.

D. Subcontracting

No subcontracting will be allowed without the express prior written consent of the City.

II. NATURE OF SERVICES REQUIRED

A. General

The City is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the three (3) fiscal years ending September 30, 2015, 2016, and 2017 with the option for three (3) additional one-year renewals for the three subsequent fiscal years.

B. Scope of Work to be Performed

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

The auditor must audit the basic financial statements, consisting of the government-wide statements and combined statements for all fund types, including major and non-major funds. However, the auditor is to provide an "in-relation-to" statement on

the combining and individual fund type statements and schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the introductory and statistical sections of the report. These sections will remain unaudited but should be reviewed.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information in accordance with auditing standards generally accepted in the United States of America.

The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements

C. Broadened Engagements

Proposers may be requested to perform other types of services, collectively referred to as "special projects". The scope of the City's annual audit and other special projects, which the auditor may become engaged, can only be broadened with the express written consent of the City. The City retains the right to negotiate fees for work related to any broadened engagement. If such a request is made, the auditor shall submit, at the City's request, a separate proposal for completing the engagement, along with a proposed fee schedule. The City reserves the right to contract any additional audits or reviews with whomever they choose.

D. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB circular A-133.

E. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue a report on the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements. The auditor's opinion on the fair presentation of the financial statements will be included in the Comprehensive Annual Financial Report ("CAFR").

A report on compliance and internal control over compliance with laws and regulations related to major and non-major federal financial assistance programs shall be prepared if receipt thresholds reached and require such. This report should be prepared in accordance with the provisions of U.S. OMB Circular A-133.

In the required reports on internal controls and operating procedures, the auditor shall communicate 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. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the City Manager and Director of Administrative Services as deemed appropriate.

The Auditor shall assure that the City Council of the City of Friendswood is informed of each of the following:

- a. The auditor's responsibility under generally accepted auditing standards.
- b. Significant accounting policies.
- c. Management judgments and accounting estimates.
- d. Significant audit adjustments.
- e. Other information in documents containing audited financial statements.
- f. Disagreements with management.
- g. Management consultation with other accountants.
- h. Major issues discussed with management prior to retention.
- i. Difficulties encountered in performing the audit.

F. Comprehensive Annual Financial Report (CAFR)

The auditor will prepare the comprehensive annual financial report, with assistance provided by the Administrative Services Department/Accounting Division staff. The schedule of expenditures of federal awards and related auditor's reports, as well as the reports on the internal control structure and compliance are not to be included in the CAFR, but are to be issued separately, if applicable.

G. Special Considerations

The City expects to submit a Comprehensive Annual Financial Report that receives the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. It is anticipated that the Auditor will be required to provide assistance to the City to meet the requirements of that program. The City has received GFOA's Certificate of Achievement for Excellence in Financial Reporting for twenty-six (26) consecutive years (through fiscal year ended September 30, 2013.) The City sent its CAFR for the fiscal year ended September 30, 2014 to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program in March, 2015. It is anticipated that the City will receive the Certificate for the comprehensive annual financial report.

H. Working Paper Retention and Access to Working Papers

At the City's request, copies of any or all of the working papers, including electronic files, prepared in conjunction with the audit engagement will be provided, on a timely basis, at no cost to the City. All working papers and reports must be retained, at the auditors' expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the City or their designees. If the auditor cannot provide copies, the original working papers will be made available to City staff for copying purposes.

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

III. DESCRIPTION OF THE GOVERNMENT

A. Reporting Entity

The reporting entity for the City, as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, includes all major and non-major funds reported in the annual audit for the fiscal year ended September 30, 2014, see Appendix A. The City is not included in any other governmental "reporting entity," as defined by Statement No. 34.

B. Key Personnel/Organization Chart

An organizational chart (Appendix C) and a list of key personnel (Appendix D) are attached. All City staff offices are located within the city limits of Friendswood, TX.

C. Background Information

The City operates under the City Council-City Manager form of government as established by its Charter. The Mayor and six Council Members are elected by voters of the City at large serving three-year terms. The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City.

The City Manager is responsible for law enforcement, appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget. The Mayor presides at meetings of the City Council and can vote.

The City serves an area of 22.7 square miles with a population of approximately 39,023.

The City's fiscal year begins on October 1 and ends on September 30.

The City provides the following services to its citizens: public safety (police and fire), public works, parks and recreation, public health, water and sewer utilities and general administrative services.

The City has approximately 215 full-time employees.

The accounting and financial reporting functions of the City are centralized.

More detailed information on the government and its finances can be found in the CAFR and Annual Operating Budget, which are available on the City's website, www.friendswood.com.

D. Magnitude of Finance Operations

The daily operations of the Accounting and Utility Billing divisions are directed by Cindy Edge, Director of Administrative Services. The division consists of eight (8) employees:

Accounting:

Deputy Director	(1)
Accountant	(1)
Accounting Specialist	(1)
Accounting Assistant	(1)

Utility Billing:

Clerk	(4)
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The Director of Administrative Services is a degreed accountant and is a Certified Government Finance Officer. The Deputy Director of Administrative Service - Accounting is a Certified Public Accountant and a Certified Government Finance Officer.

E. Name of Contact Persons

The auditor's principal contacts with the City will be Cindy Edge, Director of Administrative Services, Rhonda Bloskas, Deputy Director of Administrative Services - Accounting or a designated representative, who will coordinate the assistance to be provided by the City to the auditor.

F. Fund Structure

The City uses the following fund types in its financial reporting:

Fund Type/Account Group	Number of Individual Funds	Number of funds with Adopted Budgets
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General fund	1	1
Special revenue funds	7	7
Debt service funds	1	1
Capital project funds	1	1
Enterprise funds	1	1
Internal service funds	1	1
Permanent funds	1	1

G. Budgetary Basis of Accounting

The City prepares its governmental and proprietary fund budgets on a basis consistent with generally accepted accounting principles. However, depreciation expense is not budgeted, while capital outlay and debt service principal are budgeted as expenditures. Working capital is used as fund balance for enterprise funds. All annual appropriations lapse at fiscal year end. Outstanding encumbrances are reported as assigned fund balance and do not constitute liabilities or expenditures since commitments will be re-appropriated and honored the subsequent fiscal year.

H. Federal and State Financial Assistance

The City receives funds from various federal and state sources each year. The amount of funding depends greatly upon factors that are not predictable. The last single audit was performed for the City during the 2014 fiscal year. See Appendix B.

I. Pension Plans

The City participates in the following pension plans:

	<u>Multiple Employer</u>
Texas Municipal Retirement System	Agent
IRC 457 Deferred Comp. Plan	Agent

J. Component Units

The management of the City identified the following component unit for inclusion in the City's financial statements:

The West Ranch Management District (the District) was created under Section 59, Article XVI of the Texas Constitution added by an Act of the 79th Legislature of the State of Texas, effective June 15, 2005, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapter 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Texas Commission on Environmental Quality. The District was created to promote and encourage employment and the public welfare within the District. The affairs of the District are managed by a Board of Directors composed of three directors from a list of persons nominated by the Board and appointed by the City council and two directors appointed by the City Council. The City is financially accountable for the District because City Council must approve any debt issuances. Complete financial statements from the component may be obtained at the District's administrative office.

K. Computer Systems

The City uses SunGard Public Sector software on an AS 400 mainframe. The City is in the process of converting to Tyler Incode Version 10.

L. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review the City's most recent financial statement may find a copy on the City's web site at www.friendswood.com. The City will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this RFP.

M. Equal Employment Opportunity

The proposer agrees that during the performance of its contract, it will treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or disability and identify itself as an "Equal Opportunity Employer" in all help wanted advertisements or request. The proposer shall be advised of any complaints filed with the City alleging that proposer is not an Equal Opportunity Employer. In determining whether to terminate any portion of this contract, the City reserves the right to consider reports from its Director of Human Resources in response to discrimination complaints. However, the proposer is specifically advised that any Equal Opportunity Employer complaint may be the basis for cancellation of this contract.

IV. TIME REQUIREMENTS

A. Calendar of Events

Description of Events	Target Date
Request for Proposal Issued	April 9, 2015
Advertise the Professional Audit services RFP Notice in the Friendswood Journal	April 9 & 16, 2015
Deadline for Proposal submission from interested firms by 2:00 p.m.	May 5, 2015
Review proposals and discuss recommendations with City staff	May 5-8, 2015
Presentations/interviews (if needed)	May 11-15, 2015
Council presentation for the award of the contract	June 1, 2015
Selected firm notified	June 2, 2015

B. Date Audit May Commence

The City will have all records ready for audit and all management personnel available to meet with the firm's personnel upon mutual agreement.

C. Schedule for the Audits

The timing for the 2015 audit will be upon mutual agreement with City management and the selected firm. For future years, the Auditor will submit a proposed schedule for review and approval by the Director of Administrative Services. The City anticipates the following schedule:

1. Interim. Expected start and completion dates (prior to September 30th).
2. Information to be provided by the City. The Auditor shall provide the City a list of all schedules and other assistance to be prepared by City staff. This list

should be submitted to the Deputy Director of Administrative Services – Accounting by October 1.

3. Completion of Field Work. The Auditor shall make every effort to complete all fieldwork prior to January 15, 2016 and each subsequent year.
4. Draft of Reports. Drafts of the audit report and recommendations to managements shall be available for review by January 31, 2016 and each subsequent fiscal year.
5. Final Report. The Auditor shall make every effort to complete the final report for filing with the City Secretary and presentation to City Council no later than the first Council meeting in March, 2016 and each subsequent fiscal year.
6. Conferences. Entrance conferences, progress reporting and exit conferences shall be developed for audits of current and future fiscal years, provided, the City exercises its option for additional audits. Successful Proposer shall schedule them with the Deputy Director of Administrative Services – Accounting.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Accounting Division Assistance

The Accounting Division staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the City.

B. Statements and Schedules to be Prepared by the Staff of the City

The accounting staff will prepare necessary Prepared By Client (PBC's) working papers normally required for the annual audit. All working papers to be prepared by the City must be submitted, by written list, to the City on or before October 1 of each year together with adequate explanatory detail as to the purpose of the working papers as well as method of preparing the working papers. Sufficiency and adequacy of detail will be determined by the City.

C. Work Area, Telephones, Photocopying, and FAX Machines

The City will provide the auditor with reasonable workspace, tables and chairs. The auditor will also be provided with access to one telephone, the internet, photocopying equipment and FAX machines subject to the following restrictions:

Long distance telephone charges shall not be charged to the City phone lines. Any anticipated long distance charges should be included in the cost fee estimate as other charges.

D. Report Preparation

Audit reports are to be addressed to the Honorable Mayor and Members of the City Council, City of Friendswood, Texas.

The proposal should include the preparation and printing of the CAFR including the basic financial statements, the notes to financial statements, combining and individual fund statements and schedules and statistical section as well as the Single Audit Report.

The City will provide the CAFR covers and backs.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

City of Friendswood
Cindy Edge, Director of Administrative Services or
Rhonda Blokas, Deputy Director of Administrative Services-Accounting
910 South Friendswood Drive
Friendswood, Texas 77546
(281) 996-3224
(281) 996-3216
FAX: (281) 482-6491
Email: cedge@friendswood.com; rblokas@friendswood.com

2. Submission of Proposals

The following material is required to be received by May 5, 2015 for a proposing firm to be considered:

- a. Two original copies (so marked) of a Technical Proposal to include the following:
 - i. Title Page - Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.
 - ii. Table of Contents - Table should include an index of the proposal contents and attachments with page numbers.
 - iii. Transmittal Letter - A signed letter of transmittal should contain the responding firm's name office address and contact

persons authorized to answer technical, price, and/or contract related questions. This letter should briefly state the Proposer's understanding of the work to be done, the commitment to perform the work within the time period, and a statement that the proposal is a firm and irrevocable offer for 90 days.

- iv. Executive Summary – a summary on three pages or less should be provided which provides a summation of the proposal. Identify the points that make your firm uniquely qualified for this engagement.
- v. Quality Control Review – Submit a copy of the report on firm's most recent external quality control review, with a statement whether that quality control review included a review of specific governmental engagements
- b. Provide information on the results of any federal or state desk reviews or field reviews of firm's audits during the past three years. Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.
- c. Detailed Proposal – The detailed proposal should follow the order set forth in Section VI. B of this RFP.
- d. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposal (Appendix E and Appendix F).
- e. The Proposer shall submit two original copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
FOR
CITY OF FRIENDSWOOD
FOR
PROFESSIONAL AUDITING SERVICES
May 5, 2015

- f. Proposers should send the complete proposal marked as follows to the following address:

City of Friendswood
Melinda Welsh, City Secretary
910 South Friendswood Drive
Friendswood, Texas 77546

- g. Chapter 176 of the Texas Local Government code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with the City of Friendswood, including affiliations and business and financial relationships such persons may have with City of Friendswood officers. An explanation of the requirements of Chapter 176 is located at <http://www.statutes.legis.state.tx.us>. A list of City officials is located at www.friendswood.com. The disclosure form (Appendix H) is included in this packet. Please complete with your response.

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the dollar cost fee estimate). The Proposal shall be prepared simply and economically, providing a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the request for proposals.

While additional data may be presented, the following subjects, items numbered 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

2. Independence

The firm should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards*. The firm should also provide an affirmative statement that it is independent of all the component units of the City as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the City or any of its agencies, component units or oversight units 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 City written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in the State of Texas

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of Texas.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the Proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified, and the firm that is to serve as the principal auditor should be noted, if applicable.

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.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in the State of Texas. The firm should also 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.

The firm should 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 engagement. The firm should also indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to

another office. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City retains the right to approve or reject replacements.

Consultants and firm specialist mentioned in response to this request for proposals can only be changed with the express prior written permission of the City, which retains the right to approve or reject replacements.

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

6. Prior Engagements with the City of Friendswood

The firm should list separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Friendswood by type of engagement (i.e. audit, management advisory services, special studies, etc.). For each engagement, the firm should indicate the scope of the work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three (3) years that are similar to the engagement described in this request for proposals. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Also indicate whether the CAFR issued in connection with the audit was awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this RFP. In developing the work plan, reference should be made to such sources of information as the city's budget and related materials, organizational charts, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement (such as planning, cash and investments, debt, revenue, compliance – federal programs, etc.).
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.

- c. The extent to which statistical sampling is to be used in the engagement, including sampling methods, sizes, and areas of use.
- d. Extent of use of computer audit tools in the audit engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the City's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purpose of tests of compliance.

9. Identification of Anticipated Potential Audit Problems

The proposal should 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 City.

C. Sealed Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The sealed dollar cost bid 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 stated separately.

The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs shall not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm;
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the fee estimate and authorized to sign a contract with the City ; and
- c. A total all-inclusive maximum price for each of the fiscal years ending September 30, 2015, 2016 and 2017. Identify the fee for out-of-pocket expenses, if any, separately from the fee for audit services.

- d. A total all-inclusive maximum price for each of the fiscal years ending September 30, 2015, 2016 and 2017 for a Single Audit.
- e. A total all-inclusive maximum price for the preparation of the CAFR (including notes to the financial statements) for each of the fiscal years ending September 30, 2015, 2016 and 2017.
- f. Method to be employed to calculate future year audit costs (i.e. for the three one-year extension options)

2. Rates by Partner, Specialist, Supervisory and Staff Level Times/Hours

The second page of the sealed dollar cost bid shall include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix H) that supports the total all-inclusive maximum price.

3. Out-of-Pocket Expense Included in the Total All-Inclusive Maximum Price and Reimbursement Rates

All estimated out-of-pocket expenses to be reimbursed should be presented in the sealed dollar cost bid in the format provided in the attachment (Appendix H). All expense reimbursements shall be in the Total All-Inclusive Maximum Price submitted by the firm.

4. Rates for Additional Professional Services

If it should become necessary for the City to request the Auditor 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 any addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost fee estimate.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost fee estimate. Interim billings shall cover a period of not less than one calendar month. Billings *must* include detail reflecting hours worked by staffing levels and estimated hours to completion.

VII. EVALUATION PROCEDURES

A. Audit RFP Review and Selection Committee

Proposal submitted will be evaluated by City staff.

B. Review of Proposals

Staff will review each technical proposal. Proposals will be compared based on the criteria described in Section VII. C. After this data is compiled and ranked, the sealed dollar cost bid will be opened.

The City reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three (3) sets of criteria: (1) Mandatory Elements; (2) Technical Qualification; and (3) Cost Fee Estimate. Firms meeting the mandatory criteria will have their proposals evaluated for both technical qualifications and cost fee estimate. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in the State of Texas.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the City.
- c. The audit firm's professional personnel have received adequate continuing professional education within the preceding two (2) years to meet the Government Audit Standards.
- d. The firm is required to submit a copy of its most recent external quality control review, with statement as to whether that quality control review included a review of specific government engagements.
- e. The firm has a record of quality audit work.
- f. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal

2. Technical Qualifications

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) The firm's past experience with the GFOA Certificate of Achievement for Excellence in Financial Reporting Program.

- (4) The firm's past experience and performance with Single Audits and tests of compliance with laws and regulations.
- (5) Ability to perform additional services and provide technical support throughout the year.

b. Audit Approach

- (1) Comprehensiveness of audit work plan and adequacy of sampling techniques.
- (2) Adequacy of proposed staffing plan for various segments of the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) Adequacy of study of evaluation of internal accounting and administrative controls.

3. Ability to meet stated deadlines

- a. Ability to meet interim schedule or provide an acceptable alternative
- b. Ability to meet on-site audit dates or provide an acceptable alternative.
- c. Ability to meet final report delivery date, no alternative is acceptable.

4. Cost Fee Estimate

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

D. Oral Presentations

During the evaluation process, the City staff may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the City staff may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

The City reserves the right to conduct personal interviews of any or all firms prior to selection.

The City will not be liable for any cost incurred by the Proposer in connection with oral presentations (i.e. travel accommodations, etc.)

E. Final Selection

The City of Friendswood City Council will select a firm based upon the recommendation of the City Staff; however, the City Council may select an audit firm other than the one recommended.

F. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right without prejudice to reject any or all proposals.

APPENDIX A

**Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2014**

Download from City's website:
www.friendswood.com

APPENDIX B

**Single Audit Report
For the Fiscal Year Ended September 30, 2014**

See attached.

CITY OF FRIENDSWOOD, TEXAS

SINGLE AUDIT REPORT

SEPTEMBER 30, 2014

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Independent Auditor's 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	1
Independent Auditor's Report on Compliance for Each Major Program, on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	3
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**INDEPENDENT AUDITOR'S 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**

To the Honorable Mayor and
Members of the City Council
City of Friendswood, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Friendswood, Texas (the City), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 16, 2015. Our report includes a reference to other auditors who audited the financial statements of the West Ranch Management District, a discretely presented component unit of the City, as described in our report on the City's financial statements. The financial statements of the West Ranch Management District were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the West Ranch Management District.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Honorable Mayor and
Members of the City Council
City of Friendswood, Texas

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
March 16, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE AND ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor and
Members of the City Council
City of Friendswood, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Friendswood, Texas's (the City's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

To the Honorable Mayor and
Members of the City Council
City of Friendswood, Texas

Page 2

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

To the Honorable Mayor and
Members of the City Council
City of Friendswood, Texas

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Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 16, 2015, which contained unmodified opinions on those financial statements. The financial statements of the West Ranch Management District, a discretely presented component unit of the City, were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the West Ranch Management District, is based on the report of the other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
March 16, 2015

**CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

An unmodified opinion was issued on compliance for major programs.

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) or Circular A-133? ☐ Yes ☒ No

Identification of major programs:

14.228

Community Development Block Grant

- Dollar threshold used to distinguish between type A and type B programs? \$300,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

**CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SECTION IV – SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

NONE

SECTION V – CORRECTIVE ACTION PLAN

N/A

**CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Program Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through Texas Department of Public Safety:			
<i>Emergency Management Performance Grant</i>	97.042	14TX-EMPG-0338	\$ 38,916
<i>Homeland Security Grant Program - State Homeland Security Program</i>	97.067	13-SR 27648-01	140,000
<i>Homeland Security Grant Program - Urban Area Security Initiative Program</i>	97.067	11-SR 27648-01	123,000
<i>Total Homeland Security Grant Program</i>			<u>263,000</u>
Total U.S. Department of Homeland Security			301,916
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Direct Program:			
<i>Economic Adjustment Assistance Program</i>	11.307	N/A	<u>292,533</u>
Total U.S. Department of Commerce			292,533
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through Texas Department of Rural Affairs:			
<i>Texas Community Development Block Grant</i>			
<i>Disaster Recovery Program</i>	14.228	DRS010048	23,705
<i>Texas Community Development Block Grant</i>			
<i>Disaster Recovery Program</i>	14.228	DRS220048	<u>886,138</u>
Total U.S. Department of Housing and Urban Development			909,843
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Program:			
<i>Bulletproof Vest Partnership Program</i>	16.607	N/A	6,110
Passed through Office of the Governor -			
Criminal Justice Division:			
<i>Crime Victim Assistance Program</i>	16.575	VA-13-V30-14062-14	49,325
<i>Crime Victim Assistance Program</i>	16.575	VA-14-V30-14062-15	<u>8,629</u>
<i>Total Crime Victim Assistance Program</i>			<u>57,954</u>
<i>Edward Byrne Memorial Justice Assistance Grant Program</i>	16.738	DJ-12-A10-27599-01	<u>14,775</u>
<i>Total passed through Office of the Governor</i>			<u>72,729</u>
Total U.S. Department of Justice			78,839
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>			
Direct Program:			
<i>High Intensity Drug Trafficking Areas Program</i>	95.001	N/A	11,288
<i>High Intensity Drug Trafficking Areas Program</i>	95.001	N/A	<u>3,817</u>
Total Executive Office of the President			<u>15,105</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>1,598,236</u>

See Notes to the Schedule of Expenditures of Federal Awards.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all applicable federal awards of the City of Friendswood, Texas (the City). The City's reporting entity is defined in Note 1 to the City's financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the respective schedule.

NOTE 2. BASIS OF ACCOUNTING

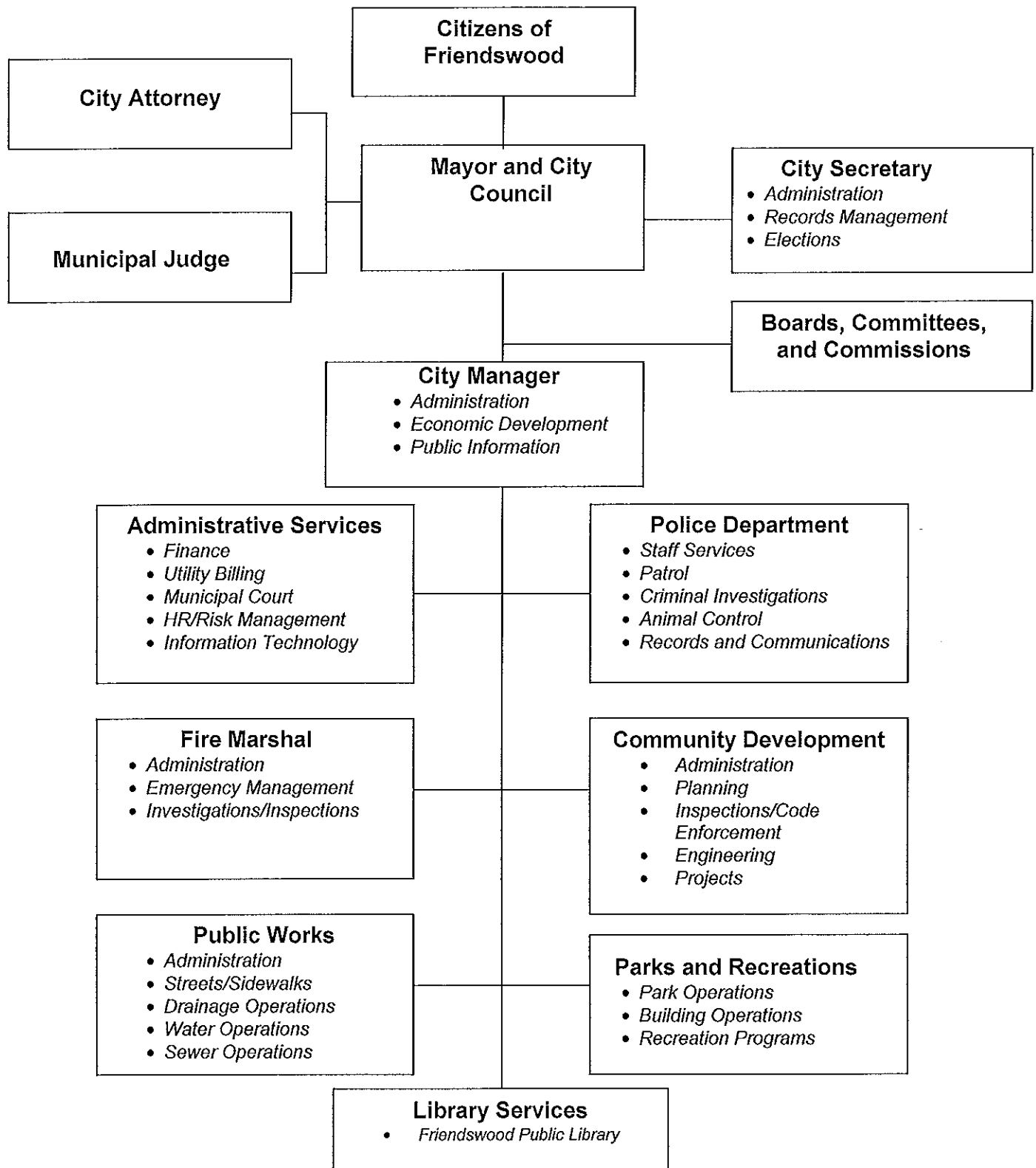
The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements.

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Grant expenditures reports as of September 30, 2014, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant, as the discrepancies noted are timing differences.

APPENDIX C

Organization Chart



APPENDIX D

List of Key Personnel

<u>Elected Official</u>	<u>Position</u>
Kevin M. Holland	Mayor
Steve Rockey	Council Member – Position No. 1
Billy J. Enochs	Council Member – Position No. 2
Jim Hill	Council Member – Position No. 3
Patrick J. McGinnis, MD	Council Member – Position No. 4
John H. Scott	Council Member – Position No. 5
Carl W. Gustafson	Council Member – Position No. 6
<u>Key Staff</u>	<u>Position</u>
Roger C. Roecker	City Manager
Morad Kabiri	Assistant City Manager
Ross, Banks, May, Cron & Cavin, P.C.	City Attorney
Melinda Welsh	City Secretary
Cindy S. Edge	Director of Administrative Services
James Toney	Director of Park and Recreation
Patrick G. Donart	Director of Public Works
Terry Byrd	Fire Marshal/Emergency Management Coordinator
James W. Woltz	Judge – Municipal Court
Robert Wieners	Police Chief

APPENDIX E

PROPOSERS GUARANTIES

The Proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official:

Name (typed):

Title:

Firm:

Date:

APPENDIX F

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Texas laws with respect to foreign (non-state of Texas) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City.
- D. Proposer warrants that it is willing and able to meet required dates and report deadlines.
- E. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official:

Name (typed):

Title:

Firm:

Date:

APPENDIX G

Part 1

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2015 FINANCIAL STATEMENTS**

	Standard	Quoted	
	Hourly	Hourly	
Hours	Rates	Rates	Total
Partners	\$	\$	\$
Managers			
Supervisory staff			
Staff			
Other (specify)			
Subtotal			\$
Total for services described in Section II E of the request for proposals (Details on Subsequent Schedules)			
			\$
Out-of-pocket expenses:			\$
Meals and Lodging			
Transportation			
Other (specify):			
Total all-inclusive maximum price for 2015 Audit			\$

APPENDIX G

Part 2

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2016 FINANCIAL STATEMENTS**

	Standard	Quoted	
	Hourly	Hourly	
Hours	Rates	Rates	Total
Partners	\$	\$	\$
Managers			
Supervisory staff			
Staff			
Other (specify)			
Subtotal			\$
Total for services described in Section II E of the request for proposals (Details on Subsequent Schedules)			
			\$
Out-of-pocket expenses:			\$
Meals and Lodging			
Transportation			
Other (specify):			
Total all-inclusive maximum price for 2016 Audit			\$

APPENDIX G

Part 3

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR
THE AUDIT OF THE 2017 FINANCIAL STATEMENTS**

	Standard	Quoted	
	Hourly	Hourly	
Hours	Rates	Rates	Total
Partners	\$	\$	\$
Managers			
Supervisory staff			
Staff			
Other (specify)			
Subtotal			\$
Total for services described in Section II E of the request for proposals (Details on Subsequent Schedules)			
			\$
Out-of-pocket expenses:			\$
Meals and Lodging			
Transportation			
Other (specify):			
Total all-inclusive maximum price for 2017 Audit			\$

CONFLICT OF INTEREST QUESTIONNAIRE**FORM CIQ****For vendor or other person doing business with local governmental entity**

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 ☐ Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Date