

Technical Proposal

A PROPOSAL FOR

City of North Richland Hills, Texas

RFP 23-006 PROFESSIONAL AUDITING SERVICES

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Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. The information provided in this proposal is intended for informational purposes only and may not be copied, used, or modified, in whole or in part, without FORVIS' prior written approval. All information in this proposal is as of November 1, 2022, including projected statistics for FORVIS, unless otherwise noted.



14241 Dallas Parkway, International Plaza 3, Suite 1100 / Dallas, TX 75254

P 972.702.8262 / F 972.702.0673

forvis.com

Transmittal Letter

March 23, 2023

Mr. Glenn Mizell
Assistant Director of Finance
City of North Richland Hills
4301 City Point Drive
North Richland Hills, TX 76180

Dear Mr. Mizell:

The City of North Richland Hills, Texas (the City) is no stranger to the complex challenges that come with serving the public. Continuous infrastructure needs, constant regulatory updates, and budgetary considerations are just a few of the issues the City has to address as you work to satisfy demand for your services and citizen needs. Navigating this environment can be difficult without a professional services firm with extensive public sector experience to provide a fresh perspective to your operations and the helpful guidance and tools you require. Our past working relationship will allow our team to leverage institutional knowledge that we acquired during our previous working relationship, while still being able to introduce a fresh perspective. With a commitment to innovation and helping our clients solve problems, **FORVIS** is here to help.

FORVIS has a track record of working with municipalities across the Dallas/Fort Worth Metroplex. Our goal of providing **Unmatched Client Experiences™** is at the core of everything we do, and overall, we're proud of the results we've received. In fact, FORVIS' most recent Net Promoter Score® was 84. According to Fred Reichheld, the creator of the Net Promoter System®, scores above 70 are regarded as world class, and we intend to bring the same level of commitment and dedication to serving the City and stand ready to proceed according to your timeline.

FORVIS, a new firm combining two established track records of focused accounting and advisory experience, can provide the City with the familiar industry-specific insight and knowledge you deserve and have experienced in the past. At FORVIS, we have a client-centered service approach and commitment to industry specialization. Our professionals choose the industry they work in and have a passion for it. Your proposed engagement team has experience serving public sector entities, many of which are comparable in size to the City, so you can be confident we understand the complexities of the industry and stay apprised of public sector trends to better serve the City.

We believe our proposal will help you select our firm for efficient and objective services delivered by experienced professionals. We will call you soon to answer questions you may have about this proposal, or you may reach us by phone at 972.702.8262 or email as provided below.

Respectfully Presented,

Kevin Kemp, CPA
Partner
kevin.kemp@forvis.com

Rachel R. Ormsby, CPA
Director
rachel.ormsby@forvis.com

Josh Findlay, CPA
Senior Manager
josh.findlay@forvis.com

Executive Summary

Forward Vision Drives Our Unmatched Client Experiences™

The City of North Richland Hills (the City) strives to meet the needs of those in your community amid various challenges. Keeping up with regulatory change, properly implementing GASB pronouncements, identifying ways to better serve the public, and demonstrating transparency and accountability are all important. With so many different items needing attention, having knowledgeable advisors by your side to provide guidance and high-quality service can help provide the City the confidence you need to tackle those issues. **FORVIS** works with hundreds of public sector entities across the country, including several municipalities similar in size to the City in the State of Texas, which means our advisors have the experience needed to assist the City as you navigate your operating environment, demonstrate sound fiscal stewardship, and plan for what's ahead.

The FORVIS Value

The City's choice of an advisor is important. Beyond completing your requested services on time, our goal is to provide the City with the technical knowledge and industry intelligence you expect from an experienced team that is focused on your needs both today and tomorrow. While FORVIS is a new name in the marketplace, we bring an established history of performance helping similar clients see improvements to operations, processes, and financial outcomes. With a perspective you can trust from FORVIS, the City can be confident you are connected to the tools and services you need to thrive and receiving significant value through year-round thought leadership, best practice recommendations, and proactive ideas.

In addition, as evidenced by our recognition in the **INSIDE Public Accounting** 2022 IPA Best of the Best list, FORVIS offers value through a strong, reputable network of support and resources. Our national coverage benefits our clients, our people, and the market of the future as we focus on our commitment to deliver Unmatched Client Experiences.



Proposed Services for the City

The City has requested information and a fee quote for the following professional services:

- Financial Statement Audit in Accordance with *Government Auditing Standards* & Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and the Texas Grant Management Standards
- Assistance Preparing the ACFR

Please see the Specific Audit Approach section and Appendix for detailed explanations of our professional service approaches.

Thinking of Your Future

In addition to the City's requested services, FORVIS has an extensive range of service offerings that may be relevant to you now or in the future. If the need arises, the following services may be of benefit.

- Cybersecurity Risk Assessment
- IntegraReport™

If you would like additional information, please see the Appendix or contact Rachel Ormsby at your convenience.

The FORVIS Difference

Being a top 10 public accounting firm matters, but what sets us apart is our commitment to client service and a forward-thinking mindset focused on innovation. We prioritize investing in new technologies to help clients navigate public sector industry developments, and we foster a dynamic culture of leadership and professional development. This means the City can work with a public sector-focused team driven by our forward vision to help you succeed today while helping the City prepare for the future.

Here's what sets us apart:

- Accessible advisors committed to the public sector who can offer best practices gained from working with local governments and municipalities in Texas and nationwide.
- We want to work with you to develop a tailored transition plan that meets your timing requirements and incorporates the areas you believe may warrant a fresh look. As a result, potential concerns can be identified and resolved efficiently.
- A dedication to providing an Unmatched Client Experience, which includes responding promptly to questions and completing work on time.
- Our proposed engagement team includes professionals who routinely serve similar clients subject to GASB standards and can offer insight on new pronouncements.
- We will provide the City with educational resources including articles, webinars and complimentary in-person continuing professional education (CPE) – a minimum of sixteen (16) hours tailored to the City's needs on an annual basis – to help you stay on top of industry developments.
- Your proposed engagement team has experienced advisors who can help you address upcoming GASB pronouncements, such as GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No.96, *Subscription-Based Information Technology Arrangements*.
- Your proposed engagement team has experience with the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program (Annual Comprehensive Financial Report Program) submission and several of your proposed engagement team members serve on GFOA's Special Review Committee.



BKD, LLP demonstrated excellent customer service in meeting our needs. Their technical knowledge was excellent and extremely valuable to our organization. I highly recommend them to any governmental entity.

Clint Mercer
City of Norman, Oklahoma
BKD Legacy Client

- FORVIS proudly encourages and promotes diversity and an inclusive workplace. With innovative strategies for recruiting, as well as an ongoing focus on the development and implementation of internal inclusion programs, we are committed to identifying opportunities that help each individual to thrive.
- With a forward vision that drives our Unmatched Client Experiences, FORVIS is driven by a commitment to anticipate what's ahead so that our clients are ready to thrive when it arrives.

A Strong History of Performance

Working well together with our clients is a top priority, which we know takes time and resources. Fortunately, our team has already invested in developing an understanding of the City's people and operations during our work with you in 2013 to 2018, which we believe sets FORVIS apart from other firms that will likely need to spend more time getting to know you. We are committed to being the service provider you can continue to trust for quality deliverables and an Unmatched Client Experience.

Throughout our prior working history, we offered guidance and benefits in the following ways:

We began to assist the City with preparation assistance with respect to the City's Annual Comprehensive Financial Report (ACFR) including preparing the draft and related notes, as well as, provided suggestions to align with industry best practices and helped to resolve identified discrepancies and reduce exceptions when submitted to Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program (COA Program).

We additionally provided guidance and assistance on the implementation of complex accounting standards, including:

- Government Accounting Standards Board (GASB) Statement No. 63 (GASB 63), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- GASB Statement No. 65 (GASB 65), *Items Previously Reported as Assets and Liabilities*
- GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*
- GASB Statement No. 74 (GASB 74), *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- GASB Statement No. 77 (GASB 77), *Tax Abatement Disclosures*

Detailed Proposal

For your convenience, we have structured our proposal according to the requirements in your RFP. We believe our proposal will demonstrate our qualifications to serve the City.

INFORMATION CONTAINED IN FORVIS' RFP RESPONSE, WHICH IT ASSERTS AS CONFIDENTIAL, IS EITHER BUSINESS AND/OR PROPRIETARY TRADE SECRET INFORMATION NOT SUBJECT TO DISCLOSURE AS SET FORTH IN THE STATE OF TEXAS PUBLIC INFORMATION ACT. SUCH CONFIDENTIAL INFORMATION HAS INDEPENDENT ECONOMIC VALUE TO FORVIS, IS NOT REASONABLY ASCERTAINABLE BY THIRD PARTIES AND IS THE SUBJECT OF REASONABLE EFFORTS BY FORVIS TO MAINTAIN ITS SECRECY AND/OR CONFIDENTIALITY. SUCH INFORMATION IN THIS PROPOSAL SHALL BE DESIGNATED WITH AN EXPONENT (^) AND PER THE RFP INSTRUCTIONS THE PAGE WILL BE MARKED "PROPRIETARY INFORMATION".

2. Independence

The firm should provide an affirmative statement that it is independent of the City of North Richland Hills as defined by generally accepted auditing standards and the *Government Auditing Standards* as issued by the Comptroller General of the United States.

The firm should also provide an affirmative statement that it is independent of all of 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 or component 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 that could compromise independence entered into during the period of this agreement.

To the best of our knowledge, FORVIS is independent with respect to the City and its component units as defined by the Code of Professional Conduct of the American Institute of CPAs (AICPA) and the U.S. Government Accountability Office's *Government Auditing Standards*. We are not aware of any relationship that would impair our independence.

FORVIS will provide written notice of any professional relationships that could compromise independence 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 Texas.

FORVIS is properly licensed to practice public accounting in the state of Texas. All key professionals who would be assigned to your engagement are properly licensed to practice in the state of Texas.

4. Firm Qualifications & Experience

The proposal should state the professional staffing 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 professional background of professional staff to be employed on this engagement on a full-time basis as well as the number and professional background of the staff to be so employed on a part-time basis.

Firm Size

FORVIS is a top 10 public accounting firm in the United States. With more than 5,700 dedicated professionals located in 72 markets across 28 states, the UK, and Cayman Islands, FORVIS serves clients in all 50 states and across the globe.

Governmental Audit Staff Size

FORVIS has hundreds of professionals who spend more than 50% of their billable hours providing services to clients in the nonprofit, governmental, and higher education industries, including audit services to governmental entities.

Location

The City's requested services will be provided primarily by our Dallas, Texas, office.

FORVIS
14241 Dallas Parkway | Suite 1100
Dallas, TX 75254

Number & Nature of Staff

We anticipate providing one director, one senior manager, one senior associate, and two associates on a full-time basis as well as one partner (concurring reviewer) on a part-time basis to complete the City's audit.

If the proposer is a joint venture or consortium, the qualification 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.

FORVIS is not a joint venture or consortium.

The firm is also required to submit a copy of the report on its most recent external quality control review (peer review), with a statement whether that quality control review included a review of specific governmental agency engagements.

FORVIS is committed to providing quality audit services to our clients, and we submit our work to external reviewers who challenge our approach and findings. The AICPA's peer review program assists us in confirming our process works and identifying potential areas for improvement that could enhance our audit quality.

Our legacy firms, BKD, LLP and Dixon Hughes Goodman LLP, regularly participated in these reviews once every three years as required by the AICPA. As the predecessor entity for peer review purposes, a copy of BKD's most recent AICPA peer review report, with the rating of "Pass"—the best rating available under current peer review standards—is contained in the Appendix.

This peer review included inspection of BKD's engagements performed under *Government Auditing Standards*.

The firm shall also provide information on the results of any federal or state desk review or field review 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.

From time to time, selected audit engagements are subject to desk review by federal or other regulators. All such reviews during the past three years have shown our work to be generally satisfactory, and no disciplinary or other administrative proceedings have resulted from those reviews. There have been no disciplinary actions taken against FORVIS by the AICPA or any regulatory or licensing agency in the past three years.

Please note that FORVIS, LLP was formed on June 1, 2022, through a merger between BKD LLP (“BKD”) and Dixon Hughes Goodman LLP (“DHG”). The foregoing responses also apply to BKD and DHG. More information about the merger can be found here: <https://www.forvis.com/news-releases/forvis-begins-serving-clients-newest-top-10-professional-services-firm>

5. Partner, Supervisory, & Staff Qualifications & 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 person is licensed to practice as a certified public accountant in Texas. The firm should provide information on the governmental auditing experience of each person, including information on relevant continuing education for the past three (3) years and memberships 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 the staff over the term of the engagement will be assured.

We take team selection seriously and have the appropriate team of advisors to meet your needs. Previous experience is a primary determinant for assigning professionals to your engagement, and we have assigned individuals who are experienced in working with public sector clients to your engagement. As mentioned, all professional staff on this engagement team are properly licensed to practice in Texas.

Team Biographies & Experience



Rachel R. Ormsby, CPA
Lead Engagement Executive
972.702.8262
rachel.ormsby@forvis.com

Professional Experience

- 12+ years of experience providing accounting and audit services to governmental organizations, including extensive experience with Single Audits
- Helps oversee the client engagement process, including the supervision and training of the audit team, review of audit workpapers and communication with the client

Representative List of Clients Served^

- Town of Addison, TX
- City of Celina, TX
- City of Hurst, TX
- City of Grapevine, TX
- City of Phoenix, AZ

Professional & Community Involvement

- Member, American Institute of CPAs
- Member, Texas Society of CPAs
- Associate Member, Government Finance Officers Association
- Associate Member, Government Finance Officers Association of Texas
- Member, Government Finance Officers Association Special Review Committee

Presentations & Publications

- *Not Again! Avoiding Common Financial Reporting Errors – GFOA Annual Conference, June 2022*
- *How to Improve your MD&A (Management's Discussion and Analysis) - External Webinar, April 2022*
- *Financial Statement Best Practices and GASB Update – Annual Public Sector Seminar, August 2021*

Awards & Accomplishments

- 2018 Rising Star Recipient – Texas Society of CPAs
- 2020 – Lead Director of Public Sector Reporting Solutions – *solution for Annual Comprehensive Financial Report preparation*

Education & Certifications

- Licensed CPA, Texas
- B.B.A. degree in accounting, Stephen F. Austin State University, Nacogdoches, Texas
- M.P.A. degree, Stephen F. Austin State University, Nacogdoches, Texas

Continuing Professional Education

- As of January 2023, Rachel has received approximately 132 hours of CPE in the last three years.



Dan Barrón, CPA
Concurring Reviewer

972.702.8262
dan.barron@forvis.com

Professional Experience

- Member of FORVIS' Public Sector Practice with 26+ years of experience providing technical accounting, consulting, and audit services to a variety of government, nonprofit, and higher education clients.
- Detailed understanding of the requirements associated with Single Audits and oversees the delivery of efficient and effective audits and assisting clients with financial reporting issues.
- Served as a Government Finance Officers Association (GFOA) Special Review Committee member for the Certificate of Achievement for Excellence in Financial Reporting.

Representative List of Clients Served^A

- City of Arlington, TX
- City of Carrollton, TX
- City of Dallas, TX
- City of Fort Worth, TX
- City of Frisco, TX

Professional & Community Involvement

- Member, Government Finance Officers Association of Texas (GFOAT)
- Member, AICPA
- Member, Texas Society of CPAs (TXCPA)

Education & Certifications

- Licensed CPA, Texas
- B.B.A. degree in accounting, University of Texas, Austin

Continuing Professional Education

- As of January 2023, Dan has received approximately 137 hours of CPE in the last three years.



Josh Findlay, CPA
Audit Senior Manger

972.702.8262
josh.findlay@forvis.com

Professional Experience

- 7+ years of experience providing audit and consulting services to governmental and nonprofit organizations, including Single Audits.
- Assists clients with preparing financial statements and reports to meet financial reporting and other regulatory disclosure requirements.
- Advises clients on future accounting pronouncements and assists with new standard implementation.

Representative List of Clients Served^A

- City of Hurst, TX
- City of Fort Worth, TX
- City of Grapevine, TX
- City of Mansfield, TX
- City of Phoenix, AZ

Professional & Community Involvement

- Member, American Institute of CPAs
- Member, Texas Society of CPAs
- Associate Member, Government Finance Officers Association of Texas

Presentations & Publications

- *Current Trends in Cybersecurity and Audit Considerations* – ALGA Conference, November 2021
- *Financial Statement Best Practices and GASB Update* – Annual Public Sector Seminar, August 2021

Awards & Accomplishments

- Certified Implementor – The Reporting Solution

Education & Certifications

- Licensed CPA, Texas
- B.S. degree in accounting and finance, University of Arkansas, Fayetteville

Continuing Professional Education

- As of January 2023, Josh has received approximately 145 hours of CPE in the last three years.



Tiffany A. Keating, CPA
Audit In-Charge

972.702.8262
tiffany.keating@forvis.com

Professional Experience

- 3+ years of experience providing audit and consulting services to governmental and nonprofit organizations, including experience with Single Audits
- Assists clients with preparing financial statements and reports to meet financial reporting and other regulatory disclosure requirements
- Advises clients on future accounting pronouncements and assists with new standard implementation

Representative List of Clients Served[^]

- City of Carrollton, TX
- City of Fort Worth, TX
- City of Grapevine, TX
- City of Roanoke, TX
- City of Phoenix, AZ

Professional & Community Involvement

- Member, American Institute of CPAs.
- Member, Texas Society of CPAs.
- Associate Member, Government Finance Officers Association of Texas.
- Member, Government Finance Officers Association Special Review Committee.

Education & Certifications

- Licensed CPA, Texas
- B.S. degree in accounting, University of North Texas, Denton, Texas
- M.S. degree in accounting – audit, University of North Texas, Denton, Texas

Continuing Professional Education

- As of January 2023, Tiffany has received approximately 195 hours of CPE in the last three years.

Additional Resources



Kevin Kemp, CPA

Partner

Professional Experience

- 29+ years of experience providing audit and management consulting services to a client base that includes municipalities and their component units, counties, utilities, state agencies, and numerous service-related entities receiving government assistance.
- Assists clients in obtaining tax-exempt financing, analyzing expansion opportunities, and improving internal controls.
- Has served as primary contact for numerous clients, provided review services for Single Audit engagements, and maintained contacts with regulatory agencies in addition to recruitment and training responsibilities.

Representative List of Clients Served^A

- City of Phoenix, AZ
- City of Carrollton, TX
- City of Frisco, TX
- City of Mesquite, TX
- City of Midland, TX

Professional & Community Involvement

- Member, American Institute of CPAs.
- Member, Texas Society of CPAs.
- Member, Government Finance Officers Association (GFOA).
- Member, Government Finance Officers Association of Texas (GFOAT).

Education & Certifications

- Licensed CPA, Texas
- Licensed CPA, Arkansas
- B.B.A. degree, University of Central Arkansas, Conway



Lauren D. Berry, CPA
Senior Manager

Professional Experience

- 8+ years of experience providing audit and consulting services to governmental and nonprofit organizations, including Single Audits.
- Currently serves in special part-time rotation where she provides technical support and training to FORVIS auditors, implements quality control policies and procedures for new professional standards, and assists with internal office inspections across the firm.
- Assists clients with preparing financial statements and reports to meet financial reporting and other regulatory disclosure requirements.
- Researches technical accounting issues, advises clients on future accounting pronouncements and assists with new standard implementation.

Representative List of Clients Served^A

- City of Carrollton, TX
- City of Decatur, TX
- City of Frisco, TX
- City of Mesquite, TX
- City of Midland, TX

Professional & Community Involvement

- Member, American Institute of CPAs.
- Member, Texas Society of CPAs.
- Associate Member, Government Finance Officers Association of Texas.
- Member, Government Finance Officers Association Special Review Committee.
- Local Office Volunteer Coordinator, Junior Achievement of Dallas.

Continuing Professional Education

For auditors involved with audits performed under *Government Auditing Standards*, this education includes the hours required to comply with *Government Auditing Standards Yellow Book* guidance. All individuals, including specialists involved in performing fieldwork on *Government Auditing Standards* audits, are required to obtain at least 24 hours of CPE every two years in subjects directly related to governmental auditing or the governmental environment. In addition, engagement team members responsible for planning, directing, or reporting on *Government Auditing Standards* audits who spend more than 20% of their time performing *Government Auditing Standards* audits also are required to complete a minimum of 80 hours of CPE every two years that directly enhances their professional proficiency to perform audits.

Recognized Learning & Development

Keeping up with the latest industry developments and a rapidly changing regulatory environment requires significant time and resource investments. At FORVIS, we make those investments so you can depend on our professionals for technical knowledge and strategic guidance. In fact, FORVIS has been repeatedly recognized for the outstanding learning and development programs we’ve designed for our professionals.

Training magazine ranked FORVIS as a winner in the 2023 Training APEX Awards (formerly the Training Top 100), marking our tenth consecutive year for earning this premier distinction among other elite organizations from across the world. In addition, FORVIS has been a recipient of the LearningElite award from **Chief Learning Officer** magazine for the past seven years, earning Gold or Silver recognition since 2018.



2023 WINNER

Staff Continuity

While turnover in CPA firms is natural, the City should expect your engagement team to remain relatively constant throughout the years. Continuity of staff assigned to engagements is one of FORVIS' primary goals. We continually work to attract, develop, and retain bright professionals. We achieve this through formal staff counseling, timely job performance evaluation, direct supervision, client feedback, service philosophy, and commitment to industry specialization.

Though it is impossible for any firm to know the future career path of its professionals, we aim to keep a consistent client service team working for you where possible. Doing so helps reduce the learning curve and saves you the time, frustration, and disruption of dealing with new advisors unfamiliar with your organization. We will assign individuals who are experienced in working with the public sector to your engagement.

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 specialists 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. Should the need arise where the City may request a Consultant or specialist be replaced, the Director of Finance will work with the Audit Partner directly to address any such occurrence.

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

In the event we are required to make a change to any key personnel assigned to your engagement, we will discuss this with you to explain the circumstances and proposed change. Your lead engagement executive, Rachel Ormsby, will be coordinating personnel changes. We generally do not remove key personnel from an audit once it has begun, but occasionally employee turnover or other events beyond our control require such a change. If a personnel change is required, we are confident we can provide a qualified replacement to complete your audit with limited interruption.

We understand engagement team members, consultants and firm specialists mentioned in our response to this RFP can only be changed with the prior express written permission of the City, which retains the right to approve or reject replacements.

6. Prior Engagements with the City of North Richland Hills

The firm should list separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of North Richland Hills 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 of the principal client contact.

FORVIS has not done any work for the City in the last five years.

7. Similar Engagements with Other Governmental Entities

For the firm’s office that will be assigned responsibility for the City’s audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. The scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact must be included.

References

We have a track record of helping similar public sector clients and understand our clients are our best ambassadors. Listening to us helps but hearing directly from your peers can be a meaningful step in your decision-making process. We encourage you to reach out to the following clients to discuss FORVIS’ services and capabilities at your convenience.

City of Grapevine, Texas[^]
Grapevine, Texas
Scope of Work: Financial Statement Audit, Assistance with preparation of ACFR, and Assistance with implementation of various accounting pronouncements
Date: 2022 to Present
Engagement Executive: Rachel Ormsby
Total Hours: 700
Ms. Shellie Johnson
Internal Audit Director
817.410.3147
srjohnson@grapevinetexas.gov

City of Hurst, Texas[^]
Hurst, Texas
Scope of Work: Financial Statement Audit, Single Audit, Assistance with preparation of ACFR, and Assistance with implementation of various accounting pronouncements
Date: 2018 to Present
Engagement Executive: Rachel Ormsby
Total Hours: 550
Mr. Clayton Fulton
Assistant City Manager
817.788.7028
cfulton@hursttx.gov

City of Mansfield, Texas[^]
Mansfield, Texas
Scope of Work: Financial Statement Audit, Single Audit, and Assistance with implementation of various accounting pronouncements
Date: 2020 to Present
Engagement Executive: Dan Barron
Total Hours: 600
Mr. Bryan Rebel
Assistant Director of Finance
817.276.4296
bryan.rebel@mansfieldtexas.gov

Town of Addison, Texas[^]
Addison, Texas
Scope of Work: Financial Statement Audit, Single Audit, and Assistance with implementation of various accounting pronouncements
Date: 2016 to Present
Engagement Executive: Rachel Ormsby
Total Hours: 500
Ms. Amanda Turner
Assistant Director of Finance
972.450.7064
adturner@addisontx.gov

Representative Clients[^]

FORVIS is proud to work with Texas municipalities, including:

- City of Abilene
- City of Arlington
- City of Balch Springs
- City of Bryan
- City of Carrollton
- City of Celina
- City of College Station
- City of Decatur
- City of Ennis
- City of Farmers Branch
- City of Fate
- City of Fort Worth
- City of Frisco
- City of Grapevine
- City of Hurst
- City of Kennedale
- City of Kerrville
- City of Lancaster
- City of Mansfield
- City of Mesquite
- City of Midland
- City of Pearland
- City of Roanoke
- City of Royse City
- City of San Antonio
- City of South Houston
- City of Texarkana
- City of University Park
- Town of Addison
- Town of Trophy Club

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 request for proposals. In developing the work plan, references should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Financial Statement Audit in Accordance with *Government Auditing Standards*, the Uniform Guidance, and the Texas Grant Management Standards

Auditing standards set the technical requirements for our process, culminating with the expression of our opinion on the presentation of your financial statements. Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and the Texas Grant Management Standards.

The FORVIS Audit Experience

While auditor selection should start with evaluating technical competence, it also should extend to your expectations for a service experience. Your audit experience includes how your engagement is managed, how you and your team are treated, the quality and timeliness of communication you receive, and your confidence in the results and guidance you receive. FORVIS' philosophy emphasizes independence, integrity, and quality, and we have a strong commitment to providing high quality service, through a knowledgeable engagement team.

Onboarding & Project Management

Your FORVIS audit experience starts as soon as you select us. Our priorities include building rapport with your team, developing a deeper understanding of your operations, and coordinating with you on the design and expectations of our service relationship. These efforts are part of our smooth transition approach. The proposal process has provided us with the basics of your organization but learning more will help us serve you better.

If not already completed, we will finish the details of client acceptance to confirm what we have learned and verify confidential information not already obtained, such as litigation history or other sensitive matters.

Proposed Timeline

AUDIT ACTIVITY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Transition & Onboarding									
Audit Planning and Interim Fieldwork									
Final Fieldwork									
Draft ACFR provided to City									
Presentation to City Council									

Executing the Audit

Once we have established our overall process and communication plans with you, the detailed work can begin. Key elements of that work include:

Risk Assessment

We will identify and assess risks of material misstatement in your financial statements, including those from potential fraud. Our work is supported by building a strong understanding of your business environment through documents you provide and by gathering information through interviews and tests for significant transaction cycles.

Assessing IT Risks

For clients with complex systems, our risk assessment also includes a more focused evaluation of your IT systems. Organizations with greater IT risk often manage high-volume, automated transactions or otherwise rely heavily on how systems create and manage data that affects financial statement amounts and disclosures. In your environment, obtaining a strong understanding of your systems is important, and our feedback may help you evaluate your own risks. In addition to using our traditional auditors, we may engage professionals from our Risk Advisory practice to assist in that evaluation. These individuals can offer focused experience with specific systems or with overall IT matters such as logical security, change management, computer operations, and other areas where risk and fraud relevant to financial reporting can occur.

Audit Design

Based on risks identified, we will design an audit approach specific to your organization. This tailoring takes into consideration the uniqueness of your operations, the design of internal controls you have implemented, and the nature of financial statement amounts and disclosures. We consider whether matters are truly important (materiality), as well as obtain input about concerns from audit committee to design the tests we will perform.

Gathering Evidence

Once the plan is complete, we will execute the audit through a combination of on- and off-site work performed in accordance with the agreed-upon timeline.

Reviewing the Work

Critical to our process is a review of the team's work by our engagement executive, as well as a quality review by another executive who is independent from the detailed work. The quality review is designed to improve our deliverable by providing a fresh perspective and reinforcing quality.

Sharing Our Results

We base our audit opinion on the evidence gathered and then communicate our findings. Professional standards drive the content of our opinion and the required communication about any deficiencies and other items we may identify during the audit. Beyond these requirements, we share results formally through our letters and presentations to audit committee, as well as opportunities for improvement through conversations during the audit process.

Compliance Audit in Accordance with the Uniform Guidance

FORVIS performs hundreds of Single Audits annually, focusing on two objectives: first, an audit of your financial statements and reporting on the Schedule of Expenditures of Federal Awards (SEFA) in accordance with *Government Auditing Standards*, and second, a compliance audit for federal awards expended during the fiscal year in accordance with the Uniform Guidance.

Many of our nonprofit and governmental clients receive federal funding. Our extensive experience with compliance testing in accordance with the Office of Management and Budget (OMB) requirements can help provide the City with a Single Audit performed properly and submitted on time.

Our Approach

During our audit procedures of federal award programs, we do not simply look for findings to report. We look for opportunities to advise you of more efficient ways to comply with federal regulations to reduce the risks of sanctions or reduced funding. FORVIS has developed contacts at federal agencies and has been able to work cooperatively with these agencies to help clients resolve or avoid issues.

Entities subject to the Uniform Guidance and *Government Auditing Standards* will benefit from FORVIS' specially designed audit programs, checklists, and database of federal audit programs.

Identification and testing of your federal programs will be performed primarily during interim fieldwork, which will typically be performed before your fiscal year-end. We have found this to be the most efficient manner in which to perform our audit services when the additional Uniform Guidance requirements are present.

Training Requirements for Single Auditors

The City can have confidence in FORVIS auditors' experience in testing federal funding subject to the Uniform Guidance. Our audit professionals are required to receive at least 120 hours of CPE every three years and, for auditors involved with audits performed under *Government Auditing Standards*, this education includes the hours required to comply with *Government Auditing Standards Yellow Book* guidance. Staff members attend a series of core audit and accounting courses over the first four years of their careers. Staff subsequently receive additional training on accounting and auditing for the nonprofit and governmental environment.

Broad Audit Risk Considerations

Some risk considerations apply across nearly all of our audits. We pay particular attention to the following items:

Significant New Accounting Standards

Every organization must assess the applicability and effects of new accounting rules. Significant standards with upcoming or recent broad applicability include:

Significant Accounting Estimates

Nearly all financial statements have significant estimates in amounts and disclosures, even when not readily apparent. Estimates may include amounts ultimately collectible from third parties, expected losses or costs occurring at a specific amount and time, etc.

We will gather information supporting management's estimates and challenge key assumptions used to develop these amounts. We also will test estimates on available data and historical trends and document our conclusions on the reasonableness of recorded amounts.

Risk of Management Override of Controls

When considering fraud, auditing standards require evaluating the risk that management could override existing controls. We will perform interviews of selected individuals, apply an element of unpredictability in our testing, and brainstorm as a team to evaluate risks and possible actions based on our observations. We also will perform journal entry testing, review estimates for bias and significant changes, and consider the business rationale for significant unusual transactions.

Procedures & Risks Specific to the Public Sector

Audit procedures can vary, but they often include traditional observation, sampling and testing combined with more advanced deployment of technology for trend analysis, summarization of documents and assessment of large data sets.

Our work with hundreds of clients in the public sector means our advisors are very familiar with entities similar to the City. While no two audits are the same, certain activities are common to governmental entities. Specific risk areas for the City are likely to include:

Investments

This is a significant audit area due to the risks associated with the proper and timely valuation of investments. We employ a variety of audit procedures in this area, including the use of third-party confirmations, obtaining an understanding of management's assessment of fair values, fair market value testing to published sources and obtaining SOC 1 reports. In addition, we evaluate the disclosure requirements and the adequacy of completeness and accuracy of the disclosures.

Accounts Receivable & Deferred Inflows of Resources & Unearned Revenue

These areas often are a significant risk due to the subjective nature of the City's estimate for the allowance for doubtful accounts and the proper recognition of revenue for funds that report using the modified accrual basis of accounting and the current financial resources measurement focus that is consistent with the City's policy. We will test the cutoff of various revenue sources, such as taxes, government grants and customer utility accounts, and review the revenue journal both before and after year end. We may confirm significant accounts receivable, as well as a sample of others to test both existence and proper classification, if considered necessary. In addition, we will test deferred inflows of resources by reviewing subsequent collections and perform various analytical procedures to test both completeness and proper classification of the balances, consistent with the City's policy of recognizing revenue on the modified accrual basis of accounting.

Capital Assets

We will audit the capital asset rollforward activity of each opinion unit, focusing on significant additions and disposals during the year. Current-year additions will be tested to appropriate supporting documentation. A review of repair and maintenance accounts will be performed to help identify whether material additions have been capitalized. New lease agreements will be reviewed to identify whether they have been accounted for properly. Depreciation expense also will be tested for reasonableness, and certain analytical procedures will be performed on the capital outlay line items for governmental funds associated with the conversion to government-wide reporting.

Long-Term Debt

This is typically a risk due to the presence of one or more significant debt covenants. We review the associated debt documents to help gain an understanding of the flow of funds prescribed for any pledged revenues. We review the covenants and obtain evidence through inquiry and other means, including the recalculation of any financial covenants, to support the conclusion that all covenants have been met and all debt service payments have been made on time. We also will confirm the annual payment activity and ending balances of certain bonds, notes, and leases payable with trustees. In the case of any refunded debt in the year being audited, we will recalculate the accounting gain or loss by reviewing trustee statements and bond documents to test for proper classification and footnote disclosures. We also will inquire about your policy on reviewing each bond and note for applicable IRS arbitrage requirements, prepare a list of bonds and notes subject to IRS arbitrage requirements and the most recent arbitrage calculation prepared for each bond and challenge the calculation performed to test for completeness and obligations of the City.

Net Position/Fund Balances

Procedures we perform in this area include vouching (or cross-indexing to work performed in other areas) of significant increases and decreases to net position, recalculation of net investment in capital assets for enterprise funds and governmentwide activities, review of documentation supporting the establishment and classifications of new accounts and testing of various nonspendable, restricted, committed and assigned fund balance accounts based on supporting documentation of donor and grantor agreements, enabling legislation, formal actions of city council, such as ordinances and resolutions and other formal policies.

Revenue Recognition

Professional standards include a rebuttable presumption that for each audit, there is a risk of material misstatement due to fraud relating to improper revenue recognition. Our approach is to gain an understanding of the revenue recognition criteria and policies and then perform a variety of inquiry, analytical and substantive audit procedures to confirm our understanding.

Uniform Guidance Testing

We will discuss with management and review the preliminary Schedule of Expenditures of Federal Awards (SEFA) as of an interim date to identify the likely major programs for testing. We will perform the majority of our testing prior to year-end and will share our results with you prior to final fieldwork. During final fieldwork, we will assess whether there are any additional major programs that would require testing and conclude our compliance and internal control procedures related to OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200* (Uniform Guidance) expenditures in agreement with the conclusion of the audit of the financial statements.

Utility Receivables & Unbilled Revenues

We will use several methods to audit your receivables and the estimate of unbilled revenues, including using look-back reports, reviewing historical collection methods, and assessing of the aging and payor mix of your accounts receivable detail. We will analytically review key ratios such as days in accounts receivable and charge-off rates compared to industry averages and prior year results to help us reach our audit conclusions. We will work with your team before year end on the allowance to see that we understand your methodologies and conclusions.

Finally, we use data analysis software to test subsequent billings and receipts and the accuracy of revenue cutoff to help validate the year-end accounts receivable balance and any unbilled revenue amounts.

Pensions & Other Postemployment Benefit Obligations

Due to the subjective nature of the estimation processes associated with determining the estimated Net Pension Liability and Other Postemployment Benefit (OPEB) obligations liability, we will obtain and test the specific actuarial calculations for the Net Pension and OPEB liabilities. First, we will evaluate the professional qualifications and reputation of the actuary. We will read the actuarial reports to obtain an understanding of the methods and assumptions employed and evaluate the cost method used and the significant assumptions underlying the actuarial calculations. Select testing of the underlying data used in the calculation will be performed. We will evaluate the valuation, cost and amortization methods for consistency. The other significant underlying assumptions such as discount rates, rates of return and medical cost trends will be compared with independent external studies of assumptions by such noted organizations as Milliman Medical Index, SEI Pension Accounting Research Series and the Towers Watson annual health care trend survey.

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

a. Proposed segmentation of the engagement.

b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.

Proposed Audit Segmentation	Estimated Hours	Staff Level
Risk assessment procedures, including meetings with officials and staff, preliminary analytics, review minutes, and design of audit procedures based on assessed risks	70	All Professionals
Document and evaluate internal controls	30	Senior Associate and Associates
Obtain financial policies and procedures, bond documents, leases and grants, and other items for our permanent file	20	Senior Associate and Associates
Substantive procedures and analytical review techniques	220	All Professionals
Prepare Annual Comprehensive Financial Report (ACFR)	80	Senior Associate and Associates
Single Audit testing	100	Senior Associate and Associates
Supervision, review, and technical assistance	100	Director & Senior Manager
Client conferences and meetings to review audit reports	10	Director, Senior Manager & Senior Associate
Reporting – Report to governance and management advisory comments	20	Director & Senior Manager

c. Sample sizes and the extent to which statistical sampling is to be used in the engagement.

Although it is not possible to set absolute rules for identifying sample sizes, we apply our professional judgment in identifying the appropriate sample size. The objective is to test the population to obtain reasonable confidence that the test objectives have been met. Sample sizes are controlled by the following considerations:

- **Tolerable error (precision)** – as the expected monetary conclusion becomes more critical, sample size should increase to tighten the range of the extrapolated estimate
- **Significance of the account to the financial statements** – as the significance increases, sample size should increase
- **Assessment of internal control risk** – as assessed risk is reduced, sample size for substantive tests should decrease
- **Extent of other substantive audit procedures related to same audit objective (tests of detail, as well as analytical review)** – as the extent of other procedures increase, sample size should decrease
- **Frequency and magnitude of expected errors** – as the frequency and magnitude of expected errors increase, sample size should increase
- The size of the population to be sampled and whether a sample is appropriate

We anticipate using certain data extraction tools in selecting and testing samples or complete populations, where appropriate. These effective tools allow us to efficiently test larger amounts of data.

Enhancing Our Services with Technology

People and their judgement and skills make the biggest difference in our services, but when our teams have access to and leverage technology effectively, we can enhance our delivery results. Ultimately, we work to deploy the right solutions that fit the needs of each client, but that requires a deep bench of technology solutions. Our audit, tax, and consulting teams each have innovation leadership and significant project teams dedicated to advancing our capabilities in these areas.

The following are some of those technologies that may impact your services along with discussion demonstrating how FORVIS is a leader in these areas.

Getting & Using Data

A significant challenge for some clients can be providing the reporting and data required for our services. Solutions we use include:

- Providing a proprietary online client portal and collaboration site for sharing requests and exchanging documents
- Using market-leading ingestion software to directly connect with certain general ledger packages to obtain required transaction detail with limited client effort and reduced additional requests

Efficient Analysis

While still in its infancy, technologies such as artificial intelligence (AI) are being leveraged along with other tools to efficiently analyze increasing volumes of data. Our efforts with data analytics, including AI, include:

- Training data champions who are using market-leading quantitative data analytics tools to not just ingest data, but to analyze and identify anomalies or unexpected results
- Leveraging market-leading software that uses language processing and machine learning to help our analysis of written documents, such as leases, contracts, acquisition contracts, and debt agreements
- Identifying new tools to increase efficiencies

Workflows & the Cloud

Many firms rely on outdated software or manual approaches to executing their work, while FORVIS is building or buying new tools to speed our efforts and better manage our delivery to clients. Our approaches include:

- Investing significant talent and financial support with the American Institute of CPAs (AICPA) and a number of other large firms to help build an audit technology designed to transform our practice and our ability to serve our clients in the future
- Using market leading tools and building our own proprietary solution to deliver a better client experience through cloud-based questionnaires, integrated risk assessment, and response workflows that better enable us to execute our engagements and deliver results to our clients
- Increasing automation of our workflow and redundant tasks through robotic process automation (RPA) and application programming interfaces (API)

e. Type and extent of analytical procedures to be used in the engagement.

Analytical procedures involve auditing a material assertion or account balance by investigating its relationship to an expectation such as other accounts, historical trends, or other related measures. FORVIS recognizes stronger analytical procedures can help reduce or eliminate other substantive procedures that are usually more time consuming. We would typically consider:

- **Ratio analysis** – comparing relationships among account balances, ratios, nonfinancial data, budgets, or industry averages
- **Reasonableness tests** – using financial and/or nonfinancial data to develop an expectation of an account balance

Successfully using analytical procedures requires auditors to ask the questions:

- What is the risk of material misstatement
- How would we find those misstatements
- Have I gathered enough audit evidence

When analytical procedures provide sufficient evidence, other substantive audit procedures should not be necessary. If analytical procedures are not sufficient, some combination of analytical and substantive procedures is likely to be the preferred approach.

f. Approach to be taken to gain and document an understanding of the City's internal control structure.

Understanding your operations and the design of your controls helps create an effective and efficient audit process. When performing our first audit, this effort is more substantial. There are several data sources we intend to use, including your prior auditor.

Our first objective is to identify those resources that might advance our understanding without extra effort on your part. If you have documentation of your organizational structure, control environment (including technology), and the controls you have in place, along with any testing of those controls, we can often just read and supplement that information as needed. Even when clients have effective controls, their documentation is often limited, so additional effort may be required. When starting with limited documentation, we will:

- Perform a risk assessment using your financial statements to identify the relevant areas for documenting our understanding and related testing; while we want to understand your operations, it isn't necessary for us to document every control, particularly when a control is not related to a significant audit area
- Ask you to complete industry-specific questionnaires that summarize your control structure; you might complete these forms directly or we may interview you to guide the process, or some combination of both; this process includes understanding your information system and related controls
- Identify who performs or can perform control activities; we can use industry-based assignment of duties forms to capture those assignments
- Assess and/or identify key controls you have in place for significant areas of risk we will look for gaps in your design and potential overlapping assignments of duties that could or should be segregated
- Perform limited tests of design effectiveness of control activities; these tests will help us evaluate whether our documentation matches the activities occurring
- Consider extended tests of controls; in some cases, your information may be so complex or voluminous that extended control testing is needed to rely on your control and reduce other substantive testing in our audit

- Summarize recommendations for your consideration; for minor deficiencies or suggestions, we may discuss changes during our audit; for others, including significant deficiencies or material weaknesses, we will prepare written recommendations for your consideration
- In periods following our first audit, the majority of our understanding and documentation will be complete; going forward, we focus on changes that have occurred and continue performing tests of design effectiveness or expanded testing to evaluate whether control design has remained the same

g. Approach to be taken in determining laws and regulations that will be subject to audit test work.

Identification of applicable laws and regulations will begin with an inquiry of the City as to your understanding of applicable laws and regulations. In addition, our reviews of various documents, indentures, agreements, etc., will be designed to encompass known laws and regulations within the scope of the audit. We are experienced in auditing nonprofit industry clients in the state of Texas and are familiar with the laws and regulatory environment in which you operate.

h. Approach to be taken in drawing audit samples for purpose of tests of compliance.

The sampling approach anticipated to be used in connection with the various areas of the audit is judgmental in nature. The size and nature of the population being tested, along with the assessed risk of the associated financial statement line item affected, will determine the size and approach for selecting a sample. Sample sizes will be sufficient to meet requirements of the various state and federal laws and regulations. We anticipate using data extraction tools in certain situations in selecting and testing samples or complete populations, where appropriate.

9. Identification of Anticipated Potential Audit Problems

The proposer should identify and describe any anticipated potential audit problems, the firm's approach to resolving these types of problems, and any special assistance that will be requested from the City of North Richland Hills and its staff.

While we do not anticipate significant audit problems, we understand the importance of good channels of communication with key engagement team members to facilitate the discussion of issues that may arise. Once we begin final fieldwork, we would ask for management's participation in weekly progress meetings that would facilitate such communication and allow for timely identification and response to problems that may be encountered.

10. Report Format

The proposer should include sample formats for required reports. Examples of such reports are shown in Section II, Item D – Reports to be Issued.

Please refer to the Appendix to view our sample report format.

Appendix

Additional Service

Assistance Preparing the ACFR

Access to Public Sector Reporting Solutions – A Streamlined Process

FORVIS is constantly on the lookout for innovative ways to apply technology to make tedious processes more efficient and effective for our clients. FORVIS is now a certified implementor of The Reporting Solution (TRS), a cloud-based tool that can help streamline the report preparation process, which could be a benefit for the City as you work to issue an Annual Comprehensive Financial Report (ACFR) and continue your successful history of receiving an award through the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program (COA Program). Through TRS, FORVIS and our clients can connect to a cloud-based online platform to prepare the report with print-ready financial statements and a word processor that links to a financial database.

In addition, changes can be made and updated in real time for all users to see. This platform allows multiple users to work simultaneously within the financial statement document, thereby creating an efficient, prompt, and cost-effective preparation process.

Review of ACFR by Knowledgeable Advisors – Trusted Insights

We understand the City intends to issue an ACFR and apply for GFOA's COA Program. FORVIS can help you through this process by reviewing your reports. This review will include the evaluation of your reports using our independently prepared checklists designed to aid in financial reporting and disclosure accuracy and completeness. Firmwide, we have numerous clients that participate in this program and several team members who serve on the GFOA's Special Review Committee. We will work with you to resolve identified discrepancies and to reduce exceptions when your reports are returned.

Thinking of Your Future

As previously mentioned, we believe the following services could be relevant to the City.

Cybersecurity Risk Assessment

Our cyber consultants will work with management to identify areas of business risk arising from potential disclosure, modification, or loss of personally identifiable information (PII) or electronic protected health information (ePHI). In addition, we will identify the maturity level of the City's current cybersecurity processes/controls and assign a high, medium, or low risk rating. Risk severity will be identified by assessing the likelihood of a breach occurring as well as the potential downstream effects.

Finally, we will work with management to create a remediation road map and recommended timeline, based on the risk severity identified. This timeline will assist the City's management in effectively allocating financial resources or personnel that may become necessary.

Throughout this process, FORVIS consultants will maintain a high level of open and frequent communication with the City's management to better understand your needs and constraints. the City can expect questions and ideas that promote conversation.

Your proposed team will work on site and assist in facilitating effective service coordination and schedule flexibility, as well as improving lines of communication. Weekly status meetings are part of our service approach.

FORVIS' cybersecurity assessment approach comprises four distinct phases. A focus on project management and frequent client communication means the City can be confident engagement objectives are addressed.

IntegraReport

Studies indicate that a typical organization loses 5% of its annual revenue to fraud and that the most common method of detecting fraud is through tips from employees. FORVIS offers a confidential way for the City's employees to report suspicious activity to help strengthen your antifraud program. FORVIS' IntegraReport hotline is accessed via an anonymous phone hotline or web-based portal and is monitored by FORVIS fraud professionals. The service includes providing your management with verbatim report transcriptions of tips reported to the hotline in a clean and easy to understand format. We also can provide assistance with hotline implementation, industry-specific fraud awareness training, hotline promotional materials, investigative services, and forensic data mining services.

Sample Report

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of North Richland Hills, Texas
North Richland Hills, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Richland Hills, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are 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 basic 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

[Auditor's signature]

[Auditor's city and state]

[Date of the auditor's report]

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of North Richland Hills, Texas
North Richland Hills, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Richland Hills, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 26, 2024.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

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

Report on 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 financial statements. 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 entity'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.

[Auditor's signature]

[Auditor's city and state]

[Date of the auditor's report]

SAMPLE

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of North Richland Hills, Texas
North Richland Hills, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of North Richland Hills, Texas' (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB 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, 2023. 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.

In our opinion, the City complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

[Auditor's signature]

[Auditor's city and state]

[Date of the auditor's report]

SAMPLE

General Conditions

20. INTERLOCAL AGREEMENT

Successful bidder agrees to extend prices and terms to all entities who have entered into or will enter into joint purchasing interlocal cooperation agreements with the City of North Richland Hills.

☒ Yes, we agree ☐ No, we do not agree

22. COMPLIANCE WITH SB 89:

Vendor agrees per HB 89 of the 85th Texas Legislative Session, and in accordance with Chapter 2270 of the Texas Government Code, vendor has not and shall not boycott Israel at any time while providing products or services to the City of North Richland Hills.

☒ Yes, we agree ☐ No, we do not agree

23. COMPLIANCE WITH SB 252:

Vendor agrees per SB 252 of the 85th Texas Legislative Session, and in accordance with Chapter 2252 of the Texas Government Code, vendor shall not do business with Iran, Sudan or a foreign terrorist organization while providing products or services to the City of North Richland Hills.

* By selecting no, vendor certifies that it is affirmatively excluded from the federal sanctions regime by the United States government and is not subject to the contract prohibition under Section 2252.154 of the Texas Government Code. Vendor shall provide sufficient documentation to the City of such exclusion prior to award of any contract for goods or services.

☒ Yes, we agree ☐ No, we do not agree*

24. ETHICS AND COMPLIANCE POLICY

The City's Ethics and Compliance Policy can be found at The City of North Richland Hills Purchasing Division webpage - Or you may request a copy from the Purchasing Division. Acknowledgment - The City of North Richland Hills' Internal Ethics and Compliance Policy has been made available to me. I understand the expectations of ethical behavior and

compliance with the law, and agree to adhere to the City's ethics policies.

<https://www.nrhtx.com/DocumentCenter/View/389/Code-of-Ethics---PDF?bidId>

☒ I agree

☐ I do not agree

Non-Collusion Affidavit of Bidder

NON-COLLUSION AFFIDAVIT OF BIDDER

State of Texas County of Dallas
Rachael Orskov, CPA verifies that:
(Name)

- (1) He/She is owner, partner, officer, representative or agent of
FORVIS, LLP, has submitted the attached
bid: (Company Name)
- (2) He/She is fully informed in respect to the preparation, contents and circumstances in
regard to attached bid;
- (3) Neither said bidder nor any of its officers, partners, agents or employees has in any way
colluded, conspired or agreed, directly or indirectly with any other bidder, firm or person
to submit a collusive or sham bid in connection with attached bid and the price or prices
quoted herein are fair and proper.

Rachael Orskov
SIGNATURE

Rachael Orskov
PRINTED NAME

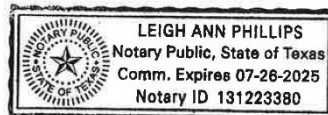
Subscribed and sworn to before me this

20th Day of March 2023.

Leigh Ann Phillips
NOTARY PUBLIC in and for

Dallas County, Texas.

My commission expires: July 26, 2025



THIS FORM MUST BE COMPLETED, NOTARIZED AND SUBMITTED WITH BID

Bid Certification Form

BID CERTIFICATION

The Undersigned, in submitting this bid, represents and certifies:

- a. He/she is fully informed regarding the preparation, contents and circumstances of the attached bid;
- b. He/she proposes to furnish all equipment/service at the prices quoted herein and bid is in strict accordance with the conditions and specifications stated herein;
- c. There will be at no time a misunderstanding as to the intent of the specifications or conditions to be overcome or pleaded after the bids are opened;
- d. He/she is an equal opportunity employer, and will not discriminate with regard to race, color, national origin, age or sex in the performance of this contract.
- e. The undersigned hereby certifies that he/she has read, understands and agrees that acceptance by the City of North Richland Hills of the bidder's offer by issuance of a purchase order will create a binding contract. Further, he/she agrees to fully comply with documentary forms herewith made a part of this specific procurement.

COMPANY:	FORVIS, LLP
ADDRESS:	14241 Dallas Parkway, International Plaza 3, Suite 1100
CITY, STATE & ZIP:	Dallas, TX 75254
TELEPHONE:	972.702.8262
FAX:	972.702.0673
EMAIL:	kevin.kemp@forvis.com
SIGNATURE:	 *
PRINTED NAME:	Kevin Kemp
DATE:	02/28/2023

*This form was signed as required by the RFP instructions. However, our acceptance of this engagement is subject to completion of our normal client acceptance procedures. FORVIS understands that, if selected, the parties will negotiate the Exceptions state in the Contract Changes Grid.

Conflict-of-Interest Questionnaire

CONFLICT OF INTEREST QUESTIONNAIRE For vendor doing business with local governmental entity		FORM CIQ
<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>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 vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>		OFFICE USE ONLY <div style="border: 1px solid black; height: 100px; width: 100%;"></div>
1	Name of vendor who has a business relationship with local governmental entity. <div style="border: 1px solid black; padding: 2px; text-align: center;">N/A</div>	
2	<input type="checkbox"/> 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 on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)	
3	Name of local government officer about whom the information is being disclosed. <div style="border: 1px solid black; padding: 2px; text-align: center;">N/A</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Name of Officer</div>	
4	Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary. <div style="padding-left: 40px;"> <p>A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <p>B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> </div>	
5	Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more. <div style="border: 1px solid black; padding: 2px; text-align: center;">N/A</div>	
6	<input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).	
7	<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; text-align: center;">Signature of vendor doing business with the governmental entity</div> </div> <div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; text-align: center;">3/20/23</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Date</div> </div> </div>	

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;

or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

Contract Changes Grid

CONTRACT CHANGES GRID

The Contractor has the obligation to review all documents that make up the contract documents in their entirety and include any objections or requests for modifications to the Terms and Conditions, or any of the Contract Documents, in the Contract Changes Grid included with the Notice to Bidders.

No changes or modifications will be made to the contract documents unless such changes are set forth in the Contract Changes Grid, submitted to the City along with the Contractor's proposal, and agreed to by the City.

Audit Engagements. Any Audit Engagement Letter submitted by Contractor should be specific to the scope of work being provided for the audit, and not a duplication of terms and conditions that are already addressed in the contract(s) provided by the City. Any submission of terms and conditions that are already covered in the City's Audit Services Agreement may be rejected.

CONTRACT CHANGES GRID

Proposed Contractor/Bidder FORVIS ("Contractor" or "Bidder"), submits the following modifications to the City's Standard Contract ("Agreement") requesting changes to such provisions be accepted by the City and incorporated into the Agreement. Contractor understands and acknowledges that the City is under no obligation to accept the modification(s) proposed by Contractor; however, the City agrees to negotiate in good faith in consideration of Contractor's request, subject to legal requirements, City policies and advice of the City Attorney.

Section / Page	Term, Condition or Specification	Exception/Proposed Modification	Disposition (For City of NRH Use Only)
General Conditions / Page 7	Indemnity	AICPA specifies that the indemnification of a client, where any fault may be attributable to client's own actions, would impair the auditor's independence under ET Section 1.228.020, Indemnification of an Attest Client. This interpretation applies to all CPA firms. Therefore, only to the extent caused by FORVIS' negligence or intentional misconduct could FORVIS agree to indemnify and hold you	City Response: <input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Not Accepted Modified

		harmless for claims, actions and liabilities asserted by third parties against you and which result from the services performed by FORVIS pursuant to this engagement.	
Audit Services Contract / Page 4	Indemnification	<p>We propose to modify this section as follows:</p> <p><i>15. Indemnification. As between the City and Auditor, the Auditor shall assume responsibility and liability only for any direct damage, loss, or injury caused by negligent acts or omissions of the Auditor, or any of its officers, agents, servants, or employees, arising from the performance of work under this Agreement. The Auditor shall indemnify and hold harmless the City and all of its offices, agents, servants, or employees from and against any and such claims, loss, damage, charge, or expense asserted by third parties to which they or any of them the City or any of its offices, agents, servants, or employees may reasonably be put or subjected by reason of any such negligent acts, but only if an adjudication of negligence is made against the Auditor.</i></p> <p><i>In the event Auditor and City are found jointly liable by a court of competent jurisdiction, liability and the Auditor's indemnification obligations shall be apportioned comparatively in accordance with the laws</i></p>	<p>City Response:</p> <p><input checked="" type="checkbox"/> Accepted <i>msl</i></p> <p><input type="checkbox"/> Not Accepted</p> <p>Modified</p>

		<i>for the state of Texas, without, however, waiving any governmental immunity available to the City under Texas law and without waiving any defenses of the parties under Texas law.</i>	
General Conditions / Page 8	Performance Bonds	Per the RFP Exhibit HA Q29 we understand this section is not applicable.	City Response: <u> X </u> Accepted <i>msan</i> <u> </u> Not Accepted Modified
Minimum Insurance Requirements / Page 11	Certified Copies of Policies	As a privately held partnership. FORVIS does not provide our full insurance policies to outside sources. However, if engaged, we will provide you our Certificate(s) of Insurance, specific to the applicable insurance requirements set forth in the RFP, to the extent permitted by our insurance carriers.	City Response: <u> X </u> Accepted <i>with msan</i> <u> </u> Not Accepted Modified Notwithstanding the foregoing, FORVIS agrees to provide City with a certified copy of its policy in the event of a claim or litigation involving FORVIS for services provided under this Engagement.
Minimum Insurance Requirements / Page 12 & 15	30-Day Notice of Cancellation	Based on insurance industry standards, insurance companies no longer provide 30-day cancellation notices on their certificates of insurance. Because of the nature and size of FORVIS practice, it is highly unlikely our policy would be cancelled. However, FORVIS does agree to notify you within 30 days if a cancellation does occur.	City Response: <u> </u> Accepted <u> X </u> Not Accepted Modified The City is aware of the change in the industry. This additional language is unnecessary. The contract language states that notice is to be given to the City in the event of termination, non-renewal, modification etc. There is no requirement that the notice be provided by the Ins. Company.
Specifications / Page 33	Access to Working Papers	Generally Accepted Auditing Standards "GAAS" specifies that complete and unrestricted access to workpapers by the audited entity could	City Response: <u> </u> Accepted <u> </u> Not Accepted Modified Request clarification:

		<p>undermine the effectiveness and integrity of the audit process. For this reason, FORVIS does have some limitations with respect to access to workpapers, in accordance with professional standards and FORVIS policies. FORVIS is willing to provide the City access to select workpapers, to the extent it does not violate our professional standards.</p>	<p>This proposed language is extremely broad. There is likely many rules of professional standards and FORVIS policies the City is not privy to. If FORVIS wishes to limit access to working papers in this manner, the City requests FORVIS identify the specific standards and policies that would prevent and/or allow access for review by the City.</p>
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Addenda



CITY OF NORTH RICHLAND HILLS

Purchasing

January 25, 2023

23-006 - PROFESSIONAL AUDITING SERVICES

1. Replace page 29 from the original RFP document with the revised document.
2. New document added: Audit Service Contract
Preapproved Contract. Please review and address any questions or concerns with your RFP response.

THIS ADDENDUM MUST BE SIGNED AND RETURNED WITH YOUR RFP RESPONSE.

Acknowledge receipt of this addendum by inserting this page with your RFP response. This addendum form is a part of the contract documents and it so modifies, amends, deletes and/or adds to the original RFP document.

Name and Address of Company:

__FORVIS__

__14241 Dallas Parkway,

Suite 1100 _____

__ Dallas, TX 75254 _____

FAX: 972.702.0673 _____

Authorized Representative:

Signature: *Rachel Ormsby*

Name: __Rachel Russell Ormsby, CPA__

Title: __Director_____

Phone: 972.702.8262 _____

Email: __Rachel.Ormsby@forvis.com__

P.O. Box 820609 * North Richland Hills, Texas 76182-0609
4301 City Point Drive * (817) 427-6150 * Fax (817) 427-6165

Tuesday February 14, 2023

RFP 23-006 PROFESSIONAL AUDITING SERVICES

ADDENDUM TWO:

- 1) Attachments to this Addendum
 - Pre-Proposal Conference Electronic Attendance Sheet
 - Audit Pre-Proposal Conference (02-14-2023) Power Point

THIS ADDENDUM MUST BE SIGNED AND RETURNED WITH YOUR RFB RESPONSE.

Acknowledge receipt of this addendum by inserting this page with your RFP response. This addendum form is a part of the contract documents and it so modifies, amends, deletes and/or adds to the original RFP document.

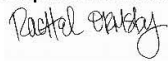
Name and Address of Company:

__FORVIS__

__14241 Dallas, Suite 1100__

Dallas, TX 75254__

Authorized Representative:

Signature: 

Name: __Rachel Russell Ormsby, CPA

Title: __Director__

Phone: __972.702.8262__

Email: __Rachel.Ormsby@FORVIS.com__

23-006 PROFESSIONAL AUDITING SERVICES PRE-PROPOSAL CONFERENCE ATTENDANCE SHEET**10:00 AM (CST) TUESDAY FEBRUARY 14, 2023**

Full Name	Organization	User Action	Timestamp
Scott Kendall	NRH	Joined	2/14/2023, 9:39:56 AM
Glenn Mizell	NRH	Joined	2/14/2023, 9:52:30 AM
Amanda Brown (Guest)	NRH	Joined	2/14/2023, 9:52:37 AM
Mark Mills	NRH	Joined	2/14/2023, 9:57:01 AM
Alan D. "A.J." Bowers, Jr.	CRI (Carr, Riggs & Ingram, LLC	Joined	2/14/2023, 9:56:28 AM
Cobb, Roy	CLA (CliftonLarsonAllen LLP)	Joined	2/14/2023, 9:58:10 AM
Unger, Wendi	Baker Tilly	Joined	2/14/2023, 9:58:18 AM
Ormsby, Rachel	FORVIS, LLP	Joined	2/14/2023, 9:59:28 AM
Paula Lowe	Pattillo, Brown & Hill, LLP	Joined	2/14/2023, 10:00:40 AM
Mosley, Kathryn	CLA (CliftonLarsonAllen LLP)	Joined	2/14/2023, 10:02:53 AM

Professional Auditing Services

RFP 23-006

Pre-Proposal Conference

Agenda

- Introductions
- Questions
- RFP Timeline
- Scope & Requirements
- FY 2023 Preliminary Audit Timeline
- Contract / Contract Changes Grid
- Computer System
- HB 1829

Introductions

- | | |
|---------------------------------|---------------|
| • Director of Finance | Mark Mills |
| • Assistant Director of Finance | Glenn Mizell |
| • Accountant II | Amanda Brown |
| • Purchasing Manager | Scott Kendall |
| • Buyer | Eva Ramirez |

Finance Department Overview



Mark Mills
Director of Finance



Glenn Mizell
Assistant Director of Finance



Scott Kendall
Purchasing Manager

Purchasing

- Purchasing Oversight
- Competitive Bidding
- Encourage Competition
- Vendor Management
- Contract Management
- Purchasing Card Administration



Angel Holbert
Utility Customer Service Manager

Utility Customer Service (Water Department)

- Customer Service
- Utility Billing
- Revenue Collection
- Utility Rate Studies
- Meter Reading
- Service Connection / Disconnection
- Customer Issue Investigation
- Billing System Analysis

Finance Admin / Accounting

- Cash Management
- Investment Management
- Debt Issuance and Management
- TIF Administration
- Financial Planning
- Financial Reporting
- Accounting
- Accounts Payable
- Ambulance Billing
- Grant Compliance and Reporting

Introductions

- In order for NRH to have a record of who attended the pre-conference meeting, and to avoid conducting an individual role call, please send a message in chat indicating which firm you represent.

Questions

- Previously Submitted Questions
 - Responses available on Public Purchase.
- Questions from Attendees
 - Please submit any additional questions you have through Public Purchase.
 - Responses to be distributed through Public Purchase.
 - The deadline for questions is February 21, 2023.

RFP Timeline

Date	Description
February 21, 2023	Deadline for questions, by 12:00 PM CT. All questions must be submitted through Public.
March 23, 2023 @ 2 PM Central	All responses must be submitted electronically through Public Purchase by this time, with Public Purchasing being the clock of record. Responses submitted after 2 PM will not be accepted.
April 10, 2023	Proposal Review Committee will review / discuss each proposal. At a minimum, the top two (2) firms will be selected for interviews and notified by this date.
April 20, 2023 through April 21, 2023	Firm Interviews. NRH staff will be attending GFOAT Spring Conference from April 16 through April 19 and will be unable to discuss the status of the RFP with anyone at that time.
April 24, 2023*	Notification of Selected Firm.
May 8, 2023*	City Council award of contract.
June 1, 2023	Date of new audit contract.

* - Preliminary dates subject to modification.

Scope & Requirements

- Term of Engagement
 - Three (3) Years, with two (2) option 1-year renewals.
- Scope of Services
 - Annual Audit / ACFR (inclusive of opinion, statements, Notes, illustrative tables, RSI, etc.)
 - Federal and State Single Audit
 - Management Letter
 - Presentation of Audit to City Council
 - Possible Internal Audit Support
 - Other Report / Analyses as needed / negotiated

Response Requirements (PDF 42 – 47)

- General Requirements
- Independence
- License to Practice in the State of Texas
- Firm Qualifications and Experience
- Partner, Supervisory, and Staff Qualifications and Experience
- Prior Engagements with NRH
- Similar Engagement with Other Governmental Entities
- Specific Audit Approach
- Identification of Anticipated Potential Audit Problems
- Report Format Samples
- “Sealed” Dollar Cost Bid Pricing

Preliminary Timeline for FY 2023 Audit

Description	Dates
Interim Field Work*	Any 2 weeks beginning with the month of August 2023.
Trial Balance Delivery to Auditor	November 26, 2023
Field Work	Any 2 to 3 weeks from Monday, December 4, 2023 through Friday, December 22, 2023, with field work being substantially complete by January 19, 2024.
Draft ACFR Report	Wednesday, January 31, 2024
Final ACFR Report*	Monday, February 19, 2024
Presentation to City Council*	Monday, February 26, 2024

* - Preliminary dates subject to negotiation and modification.

Preliminary Timeline

August 2023						
SU	MO	TU	WE	TH	FR	SA
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

December 2023						
SU	MO	TU	WE	TH	FR	SA
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

Contract / Contract Changes Grid

- A draft copy of the agreement for these services has been provided as an addendum to this RFP, available on Public Purchase. This agreement has been approved by our City Attorney.
- As part of each firm's response, a Contract Changes Grid (PDF Page 29) will need to be submitted, outlining any exceptions or proposed modifications to the agreement. This grid will be reviewed by the committee and the City Attorney will be consulted prior to the RFP being awarded by the City Council.

Computer System - Changes

- Municipal Court
 - System upgraded to Incode 10 from Incode 9 during 2022/2023
- Utility Billing
 - System converted from Central Square (formerly HTE) to Tyler Enterprise ERP (Munis) during 2022/2023.
- Water Park
 - System changed from Centaman to GateMaster for operations and point-of-sale during the 2022/2023 off-season

PID / TIF

● PID

- 1 Active PID
 - City Point Public Improvement District

● TIF

- 1 Active
 - TIF #3 – a part of City Point Development
- 2 Closed
 - TIF #1 – Closed 2022
 - TIF #2 – Closed 2022

HB 1829

- ⦿ Requires the governing body of a municipality to file financial statements with the State Comptroller two months after the end of the fiscal year.
- ⦿ This could have a significant impact on audit.
- ⦿ Firms should be prepared for this to be a topic of discussion during the interview process.



Thank you for attending
and your interest.

This presentation will be posted on Public Purchase.

Wednesday February 22, 2023

RFP 23-006 PROFESSIONAL AUDITING SERVICES

ADDENDUM THREE:

- In response to Public Purchase Question #5, There was a management letter issued for FY 2020 but not FY 2021. The Management Letter for FY2020 has been uploaded.
- In response to Public Purchase Question #6, a FY 21 Audit Adjustments list has been uploaded

THIS ADDENDUM MUST BE SIGNED AND RETURNED WITH YOUR RFP RESPONSE.

Acknowledge receipt of this addendum by inserting this page with your RFP response. This addendum form is a part of the contract documents, and it so modifies, amends, deletes and/or adds to the original RFP document.

Name and Address of Company:

__ FORVIS __

__ 14241 Dallas Parkway,

Suite 1100 __

__ Dallas, TX 75254 __

FAX: 972.702.0673 __

Authorized Representative:

Signature: 

Name: __ Rachel Russell Ormsby, CPA __

Title: __ Director __

Phone: 972.702.8262 __

Email: __ Rachel.Ormsby@forvis.com __

AICPA Peer Review Letter



National Peer
Review Committee

December 11, 2020

Theodore Dickman
BKD, LLP
910 E Saint Louis ST Ste 400
Springfield, MO 65806-2570

Dear Theodore Dickman:

It is my pleasure to notify you that on December 11, 2020, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads 'Michael Fawley'.

Michael Fawley
Chair, National PRC
+1.919.402.4502

cc: Candace Wright, L Bennett

Firm Number: 900010002800

Review Number: 577534

220 Leigh Farm Road, Durham, NC 27707-8110
T: +1.919.402.4502 F: +1.919.419.4713
aicpaglobal.com | cimaglobal.com | aicpa.org | cima.org

BKD Peer Review Report



8550 United Plaza Blvd., Ste. 1001 — Baton Rouge, LA 70809
225-922-4600 Phone — 225-922-4611 Fax — pncpa.com

Postlethwaite & Netterville and Associates, L.L.C.

Report on the Firm's System of Quality Control

To the Partners of BKD, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BKD, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BKD, LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
November 2, 2020

About FORVIS

FORVIS

An Enhanced Professional Services Firm

What's going to happen tomorrow? You can't predict the future, but you can prepare for it. To thrive in an environment that moves faster every day, business leaders must be able to look ahead and be ready for what comes next.

That's where **FORVIS** can help. Driven by the desire to anticipate what's next in the economic landscape, our goal is to help our clients be ready when the future becomes the present. We're committed to using our exceptional vision to provide each of our clients with an **Unmatched Client Experience™** that drives business forward.

FORVIS was created by the merger of equals between BKD and DHG. We aim to carry on our respective legacies of high-touch personal service delivered with remarkable integrity, care, and innovation—all now backed by the resources of a top 10 U.S. public accounting firm.

“

With national coverage and international presence, we're stronger: for our clients, our people, and the market of the future.

”



Tom Watson
Chief Executive Officer

Forward Vision Drives Our Unmatched Client Experiences

As a FORVIS client, you will benefit from a single organization with the enhanced capabilities of an expanded national platform, deepened industry experience, greater resources, and innovative advisory services. Our aim is to provide assurance, tax, and advisory services that help clients succeed today while preparing them to forge ahead into a clear future.

Our eye on the future isn't exclusively directed toward our clients. We want our people—at every level, in every office—to be motivated by engaging career paths that challenge and inspire them to grow personally and professionally. Our partners and staff are the foundation of the firm, and when they have the opportunity to flourish, the result is Unmatched Client Experiences.

We are FORVIS—driven by a commitment to anticipating what's ahead so our clients are ready to thrive when it arrives.

8th

Largest U.S. Firm*

530+

Partners & Principals

28

States + U.K. & Cayman Islands**

10+

Industries

5,700+

Team Members

72

Markets



FORVIS is a member of Praxity™, an international alliance of independent accounting firms that offers multinational clients access to resources around the world.
* FORVIS was ranked number eight on Inside Public Accounting's 2022 annual ranking of accounting firms by revenue.
** Services outside the United States are provided through our subsidiaries and/or affiliates.

FORV/S