

City of Fair Oaks Ranch
Financial Audit Services
RFQ Amendment Addendum

The following document serves as written notice of changes to the RFQ timeline. We understand that the development of the Scope of Services is a critical step and we should allow ourselves ample time to accomplish that objective. Therefore, the deadline for submissions has been moved to Tuesday October 24th at 2:00pm.

RFQ Schedule

1. **Tuesday October 24th at 2:00pm** – Responses should be received either by method described in Section 2 or electronically to the email address:
sbuckelew@fairoaksranchtx.org
2. **Tuesday October 24th at 2:00pm** – Responses will be opened.
3. **Thursday November 16th at 6:30pm** - Selection of Audit Firm for financial audit services will be made by the City Council at their regularly scheduled meeting.

CITY OF FAIR OAKS RANCH, TEXAS

REQUEST FOR QUALIFICATIONS

FINANCIAL AUDIT SERVICES

1. INTRODUCTION

The City of Fair Oaks Ranch is seeking proposals from independent, qualified certified public accounting firms for financial audit services for the fiscal year ending September 30, 2017 for the City and the City of Fair Oaks Ranch Municipal Development District (the "MDD") (the "Entities"). The contract term shall include the option to extend the engagement for subsequent fiscal years based on the firm's satisfactory performance and mutual agreement by both parties. The selected firm may also be asked to advise the Entities about any other matters relative to municipal finance or related tax law. The successful responder shall be required to enter into a Professional Services Agreement with the City in a form substantially similar to the Attached Exhibit A.

2. SUBMISSION OF PROPOSAL

This Request for Qualifications (RFQ) is intended to serve as the proposal form for the financial audit services and should include a transmittal letter and a brief summary highlighting the most important points of the proposal. An effective response will also describe the firm's specific audit approach and methodology, along with a statement that the firm is independent of the MDD and the City and its component units. The responder should include a report on the results of the firm's most recent external Peer Review as required by the AICPA and Governmental Auditing Standards. By submitting a response, the firm certifies knowledge and understanding of the scope and quality of services to be provided.

Responses should be received by **Tuesday, October 17, 2017, at 2 p.m.** to:

Sarah Buckelew, City Finance Officer
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Responses shall be submitted in sealed envelopes and plainly marked in the lower left hand corner **"Sealed Response for Financial Audit Services."** The responses will be publicly opened at the same location, date, and time. Responses received after the deadline will not be accepted.

The Entities reserve the right to request additional information or to meet with representatives to discuss or clarify items in the proposal before and after submission,

any and all of which may be used in analyzing the proposal. Questions about the proposal may be directed to Sarah Buckelew, Finance Officer at 210-698-0900. The Entities also reserves the right to reject any or all proposals.

3. CRITERIA FOR EVALUATION

Selection of an accounting firm for financial audit services will be made by the City Council at their regular meeting on November 2, 2017 at 9:30am., on the basis of demonstrated competence and qualifications to perform the services; and for a fair and reasonable price. As an indication of what will be considered in the evaluation of the proposals, the following areas are listed:

- Extensive experience in performing financial audit services for governmental agencies;
- Demonstrated competence and qualifications of the firm and key personnel assigned to work with the City, including related experience, education and certification, and tenure with the firm;
- Technical ability of the firm to perform the requested services;
- Thoroughness of the response as it relates to the Scope of Work;
- References substantiating the firm's experience and success in providing audit services to similar governmental entities;
- Results of any federal or state desk reviews or field reviews of audits performed by the firm during the past three (3) years;
- Circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years; and
- Professional fees for requested services.

4. GENERAL INFORMATION - CITY OF FAIR OAKS RANCH

The City of Fair Oaks Ranch, Texas, operates under a home rule, council-manager form of government. The City Council consists of the mayor and six councilmembers serving three-year staggered terms. The City provides police protection, construction and maintenance of streets and drainage ways, development regulation and code enforcement, water and wastewater services, and municipal court, and general administrative services.

The City operates and is funded on a fiscal year basis. The annual fiscal period is October 1 through September 30. Each year the Council adopts an annual budget prior to the beginning of the new fiscal year. Amendments to the budget may be approved throughout the year either by authorization of the City Manager or the City Council, as appropriate. Integrated financial software is provided through Tyler Technologies (Incode). The Texas Municipal Retirement System (TMRS) manages the city's pension

plan. Copies of the City Charter, council minutes, annual budgets, and comprehensive annual financial statements are available online at fairoaksranch.org.

The City maintains the general fund for maintenance and operations and the debt service fund for the general obligation bonds used to fund a roadway reconstruction bond, and an enterprise fund for the water and wastewater utilities. All funds are considered major funds for reporting purposes.

5. GENERAL INFORMATION - CITY OF FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

The MDD was formed on May 7, 2011 as a political subdivision of the State of Texas and the City of Fair Oaks Ranch in accordance with Chapter 377 of the Texas Local Government Code. It is a component unit of the City of Fair Oaks Ranch. It receives all of the proceeds from a ½ cent sales tax approved by a vote of the citizens in 2011 for the economic development in the City of Fair Oaks Ranch and the Bexar County and Kendall County ETJ.

The MDD operates and is funded on a fiscal year basis. The annual fiscal period is October 1 through September 30. As a separate legal entity whose Board of Directors is appointed by, and whose budget must be approved by, the City Council of the City of Fair Oaks Ranch, the District is considered a component unit of the City of Fair Oaks Ranch. Integrated financial software is provided through Tyler Technologies (Incode). Copies of board minutes, annual budgets, and comprehensive annual financial statements are available upon request from Sarah Buckelew, Finance Officer for the City of Fair Oaks Ranch.

The MDD maintains the general fund for maintenance and operations.

6. SCOPE OF WORK

The firm shall be expected to express an opinion on the fair presentation of the Entities' basic financial statements (government-wide financial statements and fund financial statements) in conformity with generally accepted accounting principles. Further, the firm shall be responsible for performing certain limited procedures involving Management's Discussion and Analysis (MD&A) and supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. Other supplementary information will also be presented for additional analysis and will require an opinion. The firm shall prepare the City's entire annual financial report for review and approval by the appropriate city staff.

The firm shall be required to perform single audits and prepare single audit reports, as needed, in compliance with requirements described in the U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*.

Audits shall be performed in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits in *Government Auditing Standards*, and in accordance with all other applicable laws, regulations, and accounting principles.

The firm shall annually present the annual financial report to the City Council and the MDD prior to March 31 of the succeeding fiscal year. The firm shall print and provide copies of the annual financial report and any separate single audit reports, as needed. Quantities will typically not exceed 25 copies of the annual financial report and 15 copies of a single audit report (if it is not included in the annual financial report). In addition, an electronic copy of the annual financial report and single audit report is requested.

The Entities may have occasion to request other audits and reviews not specified in this scope of work. In the event such request is made, the firm may be asked to submit a separate proposal for completing that engagement, along with a proposed fee schedule. The Entities reserve the right to contract any additional audit services or reviews separately from this engagement and with the firm of its choice.

7. REPORTING REQUIREMENTS

The firm shall issue an independent auditor's report on the following:

- The fair presentation of the Entities financial statements in conformity with generally accepted accounting principles;
- Compliance and internal controls relative to financial reporting based on an audit of the financial statements performed in accordance with Government Auditing Standards and including all instances of noncompliance;

At the conclusion of the audit, the firm shall be expected to meet with designated staff and shall be required to make an oral presentation to the City Council and MDD summarizing the audit work and results along with any relevant findings during the audit.

As part of the annual audit, the firm shall issue a letter of recommendation to management and the Required Auditor's Disclosure Letter which shall address the firm's responsibility under generally accepted auditing standards, the scope and timing of the audit, significant audit findings, difficulties encountered during the performance of the

audit, corrected and uncorrected misstatements, disagreements with management, and other audit findings.

The firm is expected to make an immediate, written report upon the discovery of any irregularities or illegal acts or any indications of illegal acts. For the City such report shall be addressed to the Mayor and Council, the City Manager, the City Attorney, and the Finance Officer. For the MDD such report shall be addressed to the MDD Board.

8. OTHER PROVISIONS

All working papers and reports must be retained, at the firm's expense, for a minimum of five (5) years, unless the firm is notified by the Entities of the need to extend the retention period. The firm will be required to make these working papers and reports available to the Entities or to other State and Federal agencies upon request. Further, the firm shall respond to reasonable inquiries of any successor auditors and shall allow any successors to review these working papers as it relates to matters of continuing accounting significance.

The City Finance Officer, City Manager, departmental staff, MDD staff and other responsible management personnel shall be available during the audit to assist the firm by providing information, documentation, and explanations. As requested by the firm, City staff shall prepare all working trial balances, supporting schedules and documentation, and confirmations on a basis consistent with a reasonable timeline to complete the annual audit prior to the deadline.

The City shall provide necessary accommodations during field work, including workspace, access to office equipment, and inquiry access to the City's accounting system.

9. PRICE

The professional services fee should contain all pricing relative to performing the audit for the fiscal year ending September 30, 2017, including rates of compensation and number of anticipated hours of each level of staff that may be assigned to this audit. The total, all-inclusive maximum fee should include all direct and indirect costs and anticipated out-of-pocket expenses.

CERTIFICATION
RFQ for Financial Audit Services

The undersigned affirms that they are duly authorized to submit this response for financial audit services for the City of Fair Oaks Ranch, Texas, and to enter into an agreement for such services if selected by the Entities. This proposal has not been prepared in collusion with any other firm, and the contents of this proposal have not been communicated to any other firm prior to the official opening of the proposal.

_____	_____
Firm Name	TIN
_____	_____
Firm's Authorized Signature	Date
_____	_____
Name of Authorized Signer	Title of Authorized Signer
_____	_____
Mailing Address	Delivery Address
_____	_____
Firm's Phone Number	Firm's Fax Number
_____	_____
Person designated as City Liaison	Liaison Direct Phone # / Fax #

	Liaison email address
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