

# REQUEST FOR PROPOSALS

## City of Denison Professional Auditing Services

NOTICE IS HEREBY GIVEN that the City of Denison is soliciting proposals for Professional Audit Services from qualified firms of certified public accountants to audit the City of Denison's financial statements for the fiscal year ending September 30, 2024, with the option of auditing the City of Denison's financial statements for the four (4) subsequent fiscal years.

Completed proposals must contain one (1) original and three (3) copies and must be submitted to:

Mrs. Christine Wallentine  
City Clerk  
300 W. Main Street  
Denison, TX 75020

**Proposals must reach the office of the City Clerk not later than 10:00 a.m. on Friday, May 31, 2024.** Proposals will be opened and read aloud at that time in the City Council Chambers at 300 W. Main Street, Denison, Texas.

It is the sole responsibility of the proposer to ensure that its proposal is delivered to the office of the City Clerk prior to the deadline. Proposals received after the deadline will not be considered for the award. Proposals may be mailed or delivered by hand or common courier. No electronic submissions will be accepted. Proposal envelopes must include the following notation:

### **Do Not Open in Mail Room, Proposal for Professional Auditing Services**

The selected proposer must furnish a Performance Bond and a Payment Bond in the amount of one hundred percent (100%) of the total contract price from a Surety Company holding a permit from the State of Texas to act as Surety.

Copies of the proposal specification documents, and technical questions related thereto may be obtained from Laurie Alsabbagh, Finance Director, City of Denison, via email at [lalsabbagh@denisontx.gov](mailto:lalsabbagh@denisontx.gov).

The City reserves the right to reject any or all proposals, to waive an informality or irregularities in the proposal procedures, to accept only part of a proposal (in the event of multiple-item proposals) and to accept the proposal that the City considers to be in its own best interests, without regard to whether or not such proposal is the best price received. Proposals may be held by the City for a period not to exceed ninety (90) days from the date of the opening. No bid may be withdrawn less than ninety (90) days after date on which bids are opened. The City is exempt from all State of Texas and federal taxes. All qualified proposers will receive consideration for award of contract without regard to race, color, religion, sex, handicap, or national origin.

Notice to be published in the *Herald Democrat* on:

May 5, 2024

May 12, 2024



**Request for Proposals  
Professional Auditing Services**

**May 2024**

**City of Denison  
300 W Main  
Denison, TX 75020**

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**1. GENERAL INFORMATION**

- 1.1 Objective:** The City of Denison is requesting proposals for Professional Audit Services from qualified and experienced public accounting firms to obtain independent audit services for the City's annual financial audit. The proposals submitted should demonstrate the qualifications and competence of the firms in conformity with the requirements of this request for proposals.
- 1.2 Term of Engagement:** A five-year engagement is contemplated, subject to the annual review and recommendation of the Finance Director and City Manager, the satisfactory negotiation of terms (including a price acceptable to both the City of Denison and the selected firm), the concurrence of the City of Denison City Council, and the annual availability of an appropriation. The initial contract period shall be for one fiscal year ending September 30, 2024, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years based upon satisfactory performance.
- 1.3 Requirements for Submission:** One (1) original and three (3) copies of the Proposal should be submitted in a sealed envelope clearly bearing the name and address of the Respondent. Envelope should be clearly marked Do Not Open in Mail Room, Proposal for Professional Auditing Services and delivered to:
- City of Denison  
Mrs. Christine Wallentine  
City Clerk  
300 W Main Street  
Denison TX 75020
- 1.4 Deadline for Submission** of proposals is 10:00 am Friday, May 31, 2024. Late proposals will not be considered. Each respondent shall be solely responsible for ensuring that the City receives its proposal by the deadline indicated.
- 1.5 Inquiries** concerning this Request for Proposal (RFP) must be directed to the City of Denison Finance Director, Laurie Alsabbagh, at [lalsabbagh@denisontx.gov](mailto:lalsabbagh@denisontx.gov).
- 1.6 Non-Appropriation:** The City may cancel the contract should the City Council not appropriate funds in any fiscal year for the payment of the agreement. No penalty shall attach in the event of any such non-appropriation. In the event of non-appropriation, the City shall give the successful respondent written notice of cancellation and the City shall not be obligated to make any payments beyond the end of the fiscal year for which funds were appropriated (related to a subsequent fiscal year).
- 1.7 Costs** related to the preparation of a response shall be the responsibility of the Respondent.
- 1.8 Right of Rejection:** The City of Denison reserves the right to reject any or all proposals submitted and to waive any informality in proposals received. Proposals submitted will be evaluated by a three (3) member committee.

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**1.9 Clarification or Additional Information Requested:** During the evaluation process, the City of Denison reserves the right to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the City of Denison, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

**1.10 Right of Retention:** The City of Denison reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Denison and the firm selected.

**1.11 Award:** It is anticipated that the Denison City Council will award the contract for Auditing Services on June 17, 2024, or as soon thereafter as possible.

## **2. SCOPE OF SERVICES**

**2.1 General:** The City of Denison is requesting proposals for Professional Audit Services from qualified and experienced public accounting firms to obtain independent audit services for the City's annual financial audit for one fiscal year with the option of four (4) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards.

**2.2 Services to be Performed:** The City wants the selected respondent (Auditor) to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The Auditor must audit the basic financial statements, consisting of the government-wide statements and combined statements for all fund types, including major and non-major funds. However, the auditor is to provide an "in-relation-to" statement on the combining and non-major fund type statements and supplementary schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the statistical section of the report; this section will remain unaudited but should be reviewed.

The Auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The Auditor shall be required to audit the information contained in a schedule of federal and state financial assistance. This information should be subjected to the auditing procedures applied in the audit of the basic financial statements and in accordance with Governmental Auditing Standards, the Single Audit Act as amended in 1996, U.S. Office of Management and Budget (OMB) Circular A-133, and the State of Texas Uniform Grants Management Standards, Chapter IV, Texas State Single Audit Circular. The auditor is to provide, if needed, an opinion of the fair presentation of this schedule in relation to the basic financial statements taken as a whole.

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The auditor shall also be responsible for performing certain limited procedures on management controls on investments and adherence to the City of Denison's established investment policies, as required by state law.

**2.3 Broadened Engagements:** Respondents may be requested to provide other types of services, collectively referred to as "special projects." Examples of such services include additional audits or reviews of specific areas such as the City's utility funds, cost studies, and consulting services. The scope of the City's annual audit and other special projects, which the Auditor may become engaged in, can only be broadened with the express written consent of the City. The City retains the right to negotiate fees for work related to any broadened engagement.

**2.4 Auditing and Reporting Standards to be Followed:** The audit shall be made in accordance with:

- Generally accepted auditing standards, as adopted by the membership of the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board
- Standards for the financial audits set forth in the U.S. General Accounting Office's (GAO) Government Auditing Standards (1994)
- Provisions of the federal Single Audit Act of 1996 and the provisions of OMB Circular A-133, Audits of State and Local Governments
- State and Federal Laws or regulations
- As well as the following additional requirements: examination for compliance with procedures established by City Charter and City Ordinance

**2.5 Reports to be Issued:** The primary purpose of the audit shall be to express an opinion on the basic financial statements taken as a whole. The combining and non-major fund type statements and supplementary schedules will be subject to the same auditing procedures as the audit of the basic financial statements.

Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue all reports currently required by State and Federal grantors, American Institute of Certified Public Accountants, Governmental Accounting Standards Board (GASB), Government Finance Officers Association of the United States and Canada and any other regulatory agencies.

In the required reports on internal controls, the Auditor shall communicate any reportable conditions found during the audit to the Finance Director. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.

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

A report shall also be issued on the supplementary schedule of federal and state financial assistance programs and the internal control structure used in

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administering those financial assistance programs.

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

If requested, auditors will provide detailed reports, including audited financial statements on other funds, the price of which is to be negotiated separately.

Auditors shall assure themselves that the City's Mayor and Council are informed of all items required by the regulatory agencies including:

- Auditor's responsibility under generally accepted & government auditing standards.
- Significant accounting policies.
- Management judgments and accounting estimates.
- Significant audit adjustments.
- Other information in documents containing audited financial statements.
- Disagreements with management.
- Management consultation with other accountants.
- Key issues discussed with management prior to retention.
- Difficulties encountered in performing the audit.

Auditors shall agree to provide the City with information relating to regulation changes that would affect the City and its operation such as timely notification of changes proposed or initiated by GASB, FASB, or GAO.

The auditor will prepare the Annual Comprehensive Financial Report (ACFR), with assistance from the Accounting staff. The City will review all information and approve it prior to printing. The schedule of federal and state financial assistance and related auditor's reports, as well as the reports on the internal control structure and compliance are not to be included in the ACFR but are to be issued separately.

**2.5 Special Considerations:** The City wishes to prepare an Annual Comprehensive Financial Report to submit for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. The City will send its Annual Comprehensive Financial Report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide assistance to the City to meet the requirements of that program.

The schedule of federal and state financial assistance and related auditor's report, as well as the reports on the internal control structure and compliance are not to be included in the ACFR but are to be issued separately.

The City of Denison currently anticipates it will prepare one or more official statements in connection with the sale of debt securities that will contain the general-purpose financial statements and the auditor's report thereon. The auditor shall be



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required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."

**2.7 Working Paper Retention and Access to Working Papers:** At the City's request, copies of any or all working papers prepared in conjunction with the audit engagement will be provided, on a timely basis, at no cost to the City.

All working papers and reports must be retained, at the auditors' expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties:

- City of Denison
- Federal Grant Agencies and Other Federal Agencies
- State of Texas Grant Agencies and Other State of Texas Agencies
- Auditors of entities of which the City is a sub-recipient of grant funds.

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

**2.8 Client Prepared Schedules:** The Auditors should submit a list of requested client-prepared schedules to the Finance Director no later than September 1 for the year under audit.

### **3. DESCRIPTION OF THE GOVERNMENT**

**3.1 Background Information:** The City of Denison is a home-rule City operating under a Council-Manager form of government. All powers of the City are vested in an elected Council consisting of six members and a mayor. Each serves three-year terms. The City Council enacts local legislation, determines City policies, and appoints the City Manager, the City Attorney, the Municipal Judge, and members of various boards and commissions.

The City Manager is the chief executive officer and the head of the administrative branch of the City government. He is responsible to the Council for the proper administration of all affairs of the City and the appointment and supervision of City Department Directors.

The City of Denison was incorporated in 1873 and is located in North Texas on State Highway 69/75, in Grayson County. The City encompasses 24 square miles with a population of approximately 26,800. The City of Denison's fiscal year begins on October 1 and ends on September 30.

Services provided by the City of Denison under general governmental functions include police and fire protection, street maintenance, public improvements, planning and zoning, sanitation, parks operation and maintenance, and administrative services necessary to serve the citizens of Denison. In addition, water and wastewater services are operated under an Enterprise Fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on

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outstanding debt.

The City of Denison has a total annual payroll of approximately \$23.5 million covering 373 full-time equivalent positions.

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

**3.2 Reporting Entity:** The reporting entity for the City, as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, includes all major and non-major funds reported in annual audit for the fiscal year ended September 30, 2024. The City is not included in any other governmental "reporting entity," as defined by Statement No. 34.

**3.3 Key Personnel/Organizational Chart:** An organizational chart (Appendix A) and a list of key personnel (Appendix B) are attached.

**3.4 Magnitude of Accounting Operations:** The Accounting Division is managed by Laurie Alsabbagh, Finance Director, and includes financial and support services. The total number of positions of the Accounting Division is seven and include:

- Finance Director
- Finance Controller
- Management Assistant
- Senior Accountant
- Accountant
- Accounting Clerk
- Grants Coordinator

Tax assessment and collection services are performed by Grayson County under contract with the City.

All funds are documented through the Accounting Division.

**3.5 Name of Contact Person:** The auditor's principal contact with the City will be Laurie Alsabbagh, Finance Director, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor. Questions, or requests for additional information or clarification regarding this proposal may be directed to Mrs. Alsabbagh, Finance Director at the following:

Email Address: [lalsabbagh@denisontx.gov](mailto:lalsabbagh@denisontx.gov)

Written responses will be prepared and delivered to all parties receiving this request for proposal.

**3.6 Fund Structure:** A diagram (Appendix C) of the City's Fund Structure is attached.

**3.7 Budgetary Basis of Accounting:** The City of Denison prepares its budgets on a basis consistent with generally accepted accounting principles. Budgets are adopted for all Governmental and Proprietary Funds.

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**3.8 Federal and State Financial Assistance:** During the fiscal year to be audited, the City of Denison may receive financial assistance from the following agencies:

Community Development Block Grant Program  
Homeland Security Grants  
US Department of Transportation  
US Department of Justice  
Texas Comptroller of Public Accounts  
Texas Commission on Law Enforcement  
Office of the Governor  
Texoma Council of Governments  
Federal Emergency Management Agency (FEMA)  
Texas Department of Transportation  
Texas Historical Commission  
Texas Opioid Abatement Fund Council & Settlement Allocation  
United States Department of Agriculture  
Texas Department of Agriculture

**3.9 Pension Plans:** The City of Denison provides pension benefits for all of its non-civil service, full-time employees through a nontraditional, joint contributory, defined benefit plan in the state-wide Texas Municipal Retirement System, an agent, multiple-employer public employee retirement system. Actuarial services for this plan are provided by the Texas Municipal Retirement System.

The City of Denison provides pension benefits for its fire fighters through the Firemen's Relief and Retirement Fund which is established under the authority of the Texas Local Fire Fighters' Retirement Act. Actuarial valuations of this fund are performed every two years by Rudd and Wisdom, Inc., Consulting Actuaries.

**3.10 Component Units:** The financial reporting entity includes all funds and account groups of the primary government (i.e., the City of Denison as legally defined). In determining potential component units to include in the financial reporting entity, the City has applied the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14. Using these criteria, component units are included in the City of Denison's financial statements. Component units may exercise the right to engage their own audit firm for their individual financials.

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

Business and Industrial Corporation of Denison

Operating as the Denison Development Alliance (DDA), they are a non-profit corporation operating under Section 4A of the Development Corporation Act of the State of Texas. The DDA is overseen by a Board of Directors appointed by the City Council of the City of Denison.

Denison Community Investment Corporation

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The Denison Community Investment Corporation, also known as DCIC, is a non-profit corporation operating for the purpose of providing economic development for the City. DCIC is overseen by a Board of Directors who are asked to serve by the City Council of the City of Denison.

Denison Public Library Endowment Fund

The Denison Public Library Endowment Fund is a non-profit corporation operating for the purpose of maintaining, developing, and promoting the Denison Public Library. It is overseen by a Board of Directors appointed by the City Council of the City of Denison.

**3.11 Computer Systems:** The City of Denison currently utilizes a server for its financial applications. The software applications were programmed by Tyler Technology’s Incode System. The computer system and software have been in use since 2013. The financial packages in use are general ledger, accounts payable, accounts receivable, fixed assets, payroll, budget, utility billing, bank reconciliation, and municipal court.

**3.12 Availability of Prior Audit Reports and Working Papers:** Proposers who wish to review prior years' audit reports and management letters should contact Laurie Alsabbagh, Finance Director, at [lalsabbagh@denisontx.gov](mailto:lalsabbagh@denisontx.gov). Prior audit reports can also be located on the City of Denison website at: <https://www.cityofdenison.com/accounting/page/annual-comprehensive-financial-reports>. If requested by proposers, the City will use its best efforts to make prior supporting working papers available to aid in this request for proposals.

**4. TIME REQUIREMENTS**

**4.1 Proposal Calendar:** The following is a list of key dates up to and including the date proposals are due to be submitted:

First publication of Audit Request for Proposal advertised in the Herald Democrat to prospective bidders	May 5, 2024
Second publication of Audit Request for Proposal advertised in the Herald Democrat to prospective bidders	May 12, 2024
Deadline for submission of proposals by 10:00 a.m.	May 31, 2024
Council selection of audit firm	June 17, 2024
Bidder Notification	June 18, 2024

**4.2 Date Audit Will Commence:** The City of Denison will have all records ready for audit and all management personnel available to meet with the firm's personnel upon mutual agreement.

**4.3 Schedule for Fiscal Year Audits:** Due to the timing of the RFP, the timing for the 2024 audit will be upon mutual agreement with City management and the selected firm. For future years, the City anticipates the following schedule:

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The auditor will submit for review and approval by the Finance Director, a schedule of audit functions as follows:

1. Interim. Expected start and completion dates (early to mid-July)
2. Information to be Provided by the City of Denison. The auditor shall provide the City of Denison with a list of all schedules and other assistance to be prepared by City staff. This list should be submitted to the Finance Director by September 30, 2024, and annually by September 1, thereafter.
3. Completion of Field Work. The auditor shall make every effort to complete all field work prior to December 31 for each year after the initial 2024 year.

**4.4 Entrance Conferences, Progress Reporting and Exit Conferences:** The selected auditor will schedule an entrance conference, periodic progress reports and an exit conference with the Finance Director and key accounting staff. This will allow the audit firm and the City of Denison staff to discuss needs, expectations, objectives, risks, and findings, and to ask questions that will ensure the audit stays on track.

**4.5 Date Final Report is Due:** The auditor will prepare the Annual Comprehensive Financial Report (ACFR), with assistance from the Accounting staff. The report must be presented to the City Council for approval, no later than its second meeting in March. This will allow the City time to file the report with GFOA no later than March 31<sup>st</sup> to apply for the Certificate of Excellence in Financial Reporting Award.

The draft report must be completed and provided to the City for final review no later than March 5<sup>th</sup>. Any needed revisions are not expected to exceed one week. During that period, the auditor shall be available for any questions regarding the audit report.

Once all questions and issues are resolved, signed opinion letters shall be delivered to the Finance Director. City staff along with the auditing firm will make a presentation covering significant matters of the financial operations and on any material findings reported in the management letter.

**5. Assistance to be Provided to the Auditor**

**5.1 Accounting Staff and Clerical Assistance:** The Finance Director and staff will prepare supporting schedules and financial reports. All working papers and schedules to be prepared by the City must be submitted, in writing, to the Finance Director on or before September 1 of each year together with adequate detail and explanation as to the purpose of the working papers as well as the method of preparing the working papers. Personnel will be available to the auditors for the purpose of pulling invoices, directing auditors to the proper files, or for explaining procedures.

The Accounting staff and responsible management personnel will be available during normal working hours throughout the course of the audit to assist the firm by providing information, documentation, and explanations. The preparation of

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confirmations will be the responsibility of the auditor but will be issued by the City of Denison.

In addition, clerical support will be made available to the auditor for the preparation of routine letters and memoranda. Hours are to be agreed upon by the auditor and the City of Denison.

**5.2 Information/Schedules Prepared by the City of Denison:** The staff of City of Denison will prepare the following statements and schedules for the auditor by the dates indicated:

<u>Statement of Schedule</u>	<u>Date</u>
941 Tax Reconciliation	10-31
Accounts Receivable Schedule	11-30
Accounts Payable Schedule	11-30
Utility Billing Reconciliation	11-30
Grant Receivable Schedule	10-31
Ad Valorem Tax Reconciliation	10-31
Fixed Asset Listing	11-30
Asset Additions and Deletions	11-30

**5.3 Work Area, Telephones, Photocopying and FAX Machines:** The City of Denison will provide the auditor with reasonable workspace, tables, and chairs. The auditor will also be provided with access to telephones, photocopying equipment, and FAX machines subject to the following restrictions:

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

**5.4 Report Preparation:** Report preparation, editing, typing, and printing will be the responsibility of the auditor. The City of Denison will review the draft report and accept the report as final. The auditor will provide the City with opinion letters to be included in the ACFR.

The auditor will prepare and provide an adequate number of the separate Annual Financial and Compliance Reports (Single Audit) for filing with state and federal agencies. The City's prior Single Audit report is available upon request.

## **6. PROPOSAL REQUIREMENTS**

**6.1 Proposal Acceptance Period:** All proposals must include a statement that they are valid for a minimum period of 90 days subsequent to the RFP closing date.

**6.2 Independence:** The firm should provide an affirmative statement that it is independent of the City of Denison as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards* (1994).

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The firm should also list and describe the firm's professional relationships involving the City of Denison or any of its agencies, component units or oversight units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the City of Denison written notice of any professional relationships entered into during the period of this agreement.

Chapter 176 of the Texas Local Government code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with the City of Denison, including affiliations and business and financial relationships such persons may have with City of Denison officers. An explanation of the requirements of Chapter 176 is located at:

**<https://statutes.capitol.texas.gov/Docs/LG/htm/LG.176.htm>.**

A list of City officials is located at [www.cityofdenison.com](http://www.cityofdenison.com). The disclosure form is included in this packet as Appendix G. Please complete with your response.

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

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

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

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

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

**6.5 Partner, Supervisory and Staff Qualifications and Experience:** The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in the State of Texas. The firm should also provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

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

Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of Denison. However, in either case, the City of Denison 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 of Denison, which retains the right to approve or reject replacements.

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

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

**6.7 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 2 of this request for proposals. In developing the work plan, reference should be made to such sources of information as the City of Denison's budget and related materials, organizational charts, and financial and other management information systems.

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

- A. Proposed segmentation of the engagement (such as planning, cash and investments, debt, revenue, compliance – federal programs, etc.).
- B. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- C. The extent to which statistical sampling is to be used in the engagement, including sampling methods, sizes, and areas of use.
- D. Extent of use of computer audit tools in the engagement.
- E. Type and extent of analytical procedures to be used in the engagement.
- F. Approach to be taken to gain and document an understanding of the City of Denison's internal control structure.



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

H. Approach to be taken in utility revenue testing.

**6.8 Identification of Anticipated Potential Audit Problems:** The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Denison.

**6.9 Proposed Cost:**

Total All-Inclusive Maximum Price: The cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price proposed shall contain all direct and indirect costs including all out-of-pocket expenses. The City of Denison will not be responsible for expenses incurred in preparing and submitting the proposal.

The proposed cost should reflect the all-inclusive maximum price for the 2024 engagement and the subsequent engagement for the next four (4) years.

Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each: The proposed cost should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix I) that supports the total all-inclusive maximum price.

Rates for Additional Professional Services: The City understands that the fees stated in the proposal will be estimates and are subject to change as a result of unforeseen circumstances that may arise. Any work due to unforeseen circumstances that will result in fees exceeding proposed amounts must be communicated to the Finance Director prior to work being performed. If it should become necessary for the City of Denison to request the auditor to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the City of Denison and the firm. Any such additional work agreed to between the City of Denison and the firm shall be performed at the same rates set forth in the schedule of fees and expenses.

Manner of Payment: Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost fee estimate. Interim billing shall cover a period of not less than a calendar month.

**7. PROPOSAL FORMAT**

Proposals must be submitted containing the following sections in the order indicated.

**7.1 Title Page:** Title page showing the request for proposals subject; the firm's name; the name, address, and telephone number of the contact person; and the date of the

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proposal.

**7.2 Table of Contents:** Table should include an index of the proposal contents and attachments with page numbers.

**7.3 Transmittal Letter:** A signed letter of transmittal should contain the responding firm's name, office address and contact persons authorized to answer technical, price, and/or contract related questions. The letter should briefly state the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period stated.

**7.4 Executive Summary:** A summary of three pages or less should be provided which provides a summation of the proposal. Identify the points that make your firm uniquely qualified for this engagement.

**7.5 Quality Control Review:** Submit a copy of the report on the firm's most recent external quality control review, with a statement whether that quality control review included a review of specific governmental engagements.

Provide information on the results of any federal or state desk reviews or field reviews of firm's audits during the past three years. Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

**7.6 Detailed Proposal:** The detailed proposal should follow the order set forth in Section 6 of this request for proposals.

**7.7 Appendices D, E, and F:** Executed copies of Proposer Guarantee (Appendix D), Insurance Requirements (Appendix E), and Indemnity Agreement (Appendix F) should be attached to this request for proposal.

## **8. EVALUATION PROCEDURES**

**8.1 Audit Selection Committee:** Proposals submitted will be evaluated by a three (3) member Audit Selection Committee consisting of the Finance Director, Finance Controller, and Senior Accountant.

**8.2 Review of Proposals:** Each member of the Audit Selection Committee will score each qualifying proposal by the criteria described in the request for proposals. The Audit Selection Committee will then convene to review and discuss these evaluations and to arrive at a recommendation for the Council's consideration. The City of Denison reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

**8.3 Evaluation Criteria:** Considerations will include, but not be limited to, the following:

1. Prior experience of the firm and staff in auditing governmental agencies.
2. Demonstrated competence and qualifications.

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3. Firm's understanding of the work to be performed.
4. Experience with preparing the ACFR for the GFOA Certificate of Achievement for Excellence in Financial Reporting Program.
5. Past experience and performance with Single Audits and tests of compliance with laws and regulations.
6. Comprehensiveness and adequacy of audit work plan.
7. Proposed Cost will be a consideration, but not the primary factor in the selection of the audit firm.

**8.4 Oral Presentations/Interviews:** During the evaluation process, the Audit Selection Committee may, at its discretion, request any or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

The City reserves the right to conduct personal interviews of any or all firms prior to selection. The City will not be liable for any cost incurred by the proposer in connection with oral presentations or interviews (i.e., travel accommodations, etc.).

**8.5 Final Selection:** The City of Denison City Council will select a firm based upon the recommendation of the Audit Selection Committee; however, the City Council may select an audit firm other than the one recommended.

It is anticipated that a firm will be selected by June 17, 2024. Following notification of the firm selected, it is expected an agreement will be executed between both parties immediately thereafter.

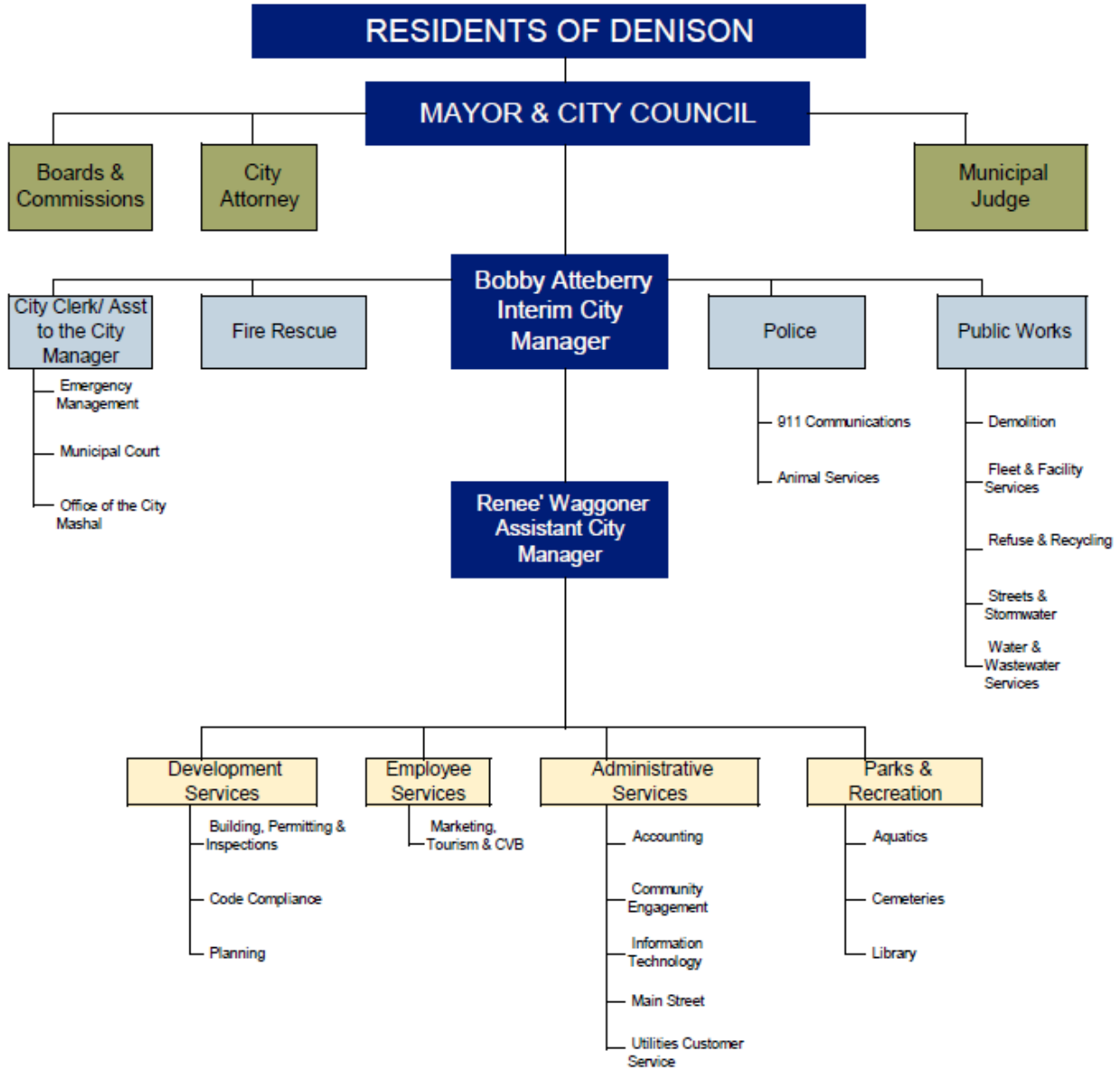
**8.6 Right to Reject Proposals:** Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Denison and the firm selected.

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

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**APPENDIX A**

**City of Denison  
Organizational Chart  
FY2024**



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**APPENDIX B**

**City of Denison  
Key Personnel  
May 2024**

**Elected Officials**

Janet Gott  
Mayor

Michael Courtright  
Council Member, Place 1

Robert Crawley, Mayor Pro Tem  
Council Member, Place 4

James Thorne  
Council Member, Place 2

Aaron Thomas  
Council Member, Place 5

Josh Massey  
Council Member, Place 3

Brian Hander  
Council Member, Place 6

**Administrative Officials**

Bobby Atteberry  
Interim City Manager

Renee' Waggoner  
Assistant City Manager

Laurie Alsabbagh  
Finance Director

Mary Tate  
Director of Planning &  
Community Development

Mike Gudgel  
Police Chief

Kenneth Jacks  
Fire Chief

Ronnie Bates  
Director of Public Works

Amy Lay  
Director of Employee Services

Chris Wallentine  
Assistant to the City Manager/  
City Clerk

Vacant  
Director of Information  
Technology

Justin Eastwood  
Director of Parks & Recreation

Donna Dow  
Director of Main Street

Gregory Mitchell  
Director of Library

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**APPENDIX C**

**City of Denison  
Fund Structure  
May 2024**

**GOVERNMENTAL FUNDS**

General Fund

- General Operating

Capital Projects

- Street Improvement
- General Capital
- General Fixed Assets
- Street Impact Fee

Debt Services

- General I&S

Special Revenue

- General Bond
- Community Development Operating
- TIRZ 1
- TIRZ 2
- TIRZ 3
- TIRZ 4
- TIRZ 5
- Project Participation
- City of Denison Library
- Fire Equipment
- Fire Training
- Homeland Security Grant
- Federal Relief
- Opioid Remediation
- Police Equipment Grant
- Vehicle Seizures
- Hotel Occupancy Tax
- PID 1
- THF Park
- Special Events
- Park Dedication Fee
- Parks & Recreation
- Law Enforcement – Forfeiture
- Canine
- Sister Cities, Inc.
- Cemetery Perpetual Care
- Law Enforcement – Seizure,
- Police Training
- Cemetery Prepay O&C
- Tree Mitigation
- Truancy & Prevention Diversion
- Municipal Court Building Security
- Municipal Court Technology
- Municipal Jury
- Federally Forfeited

**PROPPRIETARY FUNDS**

Utility Fund

- Utility Operating
- Utility Customer Deposits
- Utility Rev Reserve

Capital Projects

- Utility Bond
- Utility Impact Fee
- Utility Capital

Debt Service

- Utility I&S

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**APPENDIX D**

**City of Denison  
Proposer Guarantees**

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

Signature of Official:

Name (typed):

Title:

Firm:

Date:

**City of Denison  
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**APPENDIX E**

**City of Denison  
Insurance Requirements**

**Insurance Requirements for Auditors.** Respondents should confer with their respective insurance carriers or brokers to determine in advance of Proposal submission the availability of prescribed insurance certificates and endorsements. Failure to comply with the insurance requirements may disqualify an award. Upon award, all insurance requirements shall become contractual obligations that the Auditor shall have a duty to maintain throughout the course of this contract. Without limiting any of its other obligations or liabilities, the Auditor shall provide and maintain until the contracted work has been completed and accepted by the City, the minimum insurance coverage as indicated hereinafter.

The Company's insurance coverage shall be primary insurance with respect to the City, its officers, agents, and employees, including the City. Any insurance or self-insurance maintained by the City, its officials, agents, and employees shall be considered in excess of the Company's insurance and shall not contribute to it. Further, the Company shall include all subcontractors as additional insureds under its commercial general liability policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all the requirements stated herein.

**Professional Liability Insurance.** Professional liability insurance with limits not less than \$500,000 per claim with respect to negligent acts, errors, or omissions in connection with professional services is required under this Agreement.

If using a commercial vehicle, the following coverage will also be required:

Business Automobile Policy (BAP)  
Combined Single Limits: \$1,000,000

- Coverage for "Any Auto."
- Coverage must be on an occurrence form.
- The City, its officials and employees are to be added as Additional Insured to liability policies.

**After notification of award, the Auditor shall file with the City's Finance Director satisfactory certificates of insurance.** The insurance requirements may not be modified or waived after Proposal opening unless a written exception has been submitted with the Proposal. Auditor shall not commence any work or deliver any material until Auditor receives notification that the contract has been accepted, approved, and signed by the City. All insurance policies obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

1. Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best rating of at least A. Insurance carriers must be licensed and admitted to do business in the State of Texas.
2. Any deductibles or self-insured retention shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retention with



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respect to the City, its officials, agents, employees, and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

3. All policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal, or reduction in coverage.
4. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.

Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the contractor shall either double the occurrence limits or obtain Owners and Contractors performance bond.

Proposer warrants that it has or is willing and able to obtain an errors and omissions insurance policy providing the above required amount of coverage for the willful or negligent acts or omissions of any officers, employees, or agents thereof.

Name of Insurer:

Amount of Coverage: \_\_\_\_\_

City of Denison

**INDEMNITY AGREEMENT**

**THE COMPANY AGREES TO AND SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEYS' FEES, FOR DAMAGE TO ANY PROPERTY, LOSS OF REVENUE, OR ANY OTHER INJURIES OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE SERVICES PERFORMED BY THE COMPANY PURSUANT TO THIS PROPOSAL, THE CONDUCT OR MANAGEMENT OF THE COMPANY'S ACTIVITIES, OR FROM ANY ACT OR OMISSION BY THE COMPANY, ITS AGENTS, EMPLOYEES, OR SUBCONTRACTORS, WHERE SUCH DAMAGES, LOSSES OR INJURIES ARE CAUSED BY THE JOINT OR SOLE NEGLIGENCE OF THE COMPANY. IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO, BOTH THE COMPANY AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY THE COMPANY TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE COMPANY'S OWN NEGLIGENCE, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE RESULTING INJURY, DEATH OR DAMAGE. FURTHERMORE, THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL HAVE NO APPLICATION TO THE CITY FOR ANY CLAIM, LOSS, DAMAGE, CAUSE OF ACTION, SUIT, AND LIABILITY WHERE THE INJURY, LOSS, OR DAMAGE RESULTS FROM THE SOLE OR THE CONCURRENT NEGLIGENCE OF THE CITY.**

In the event that any action or proceeding is brought against the City by reason of any matter from which the City is indemnified herein, the Company further agrees and covenants to defend the action or proceeding by legal counsel acceptable to the City. This article shall survive the expiration or termination of the agreement.

\_\_\_\_\_  
Signature of Official Representative of Audit Firm

\_\_\_\_\_  
Name of Official Representative (typed)

\_\_\_\_\_  
Title

**City of Denison  
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**APPENDIX G**

<b>CONFLICT OF INTEREST QUESTIONNAIRE</b>		<b>FORM CIQ</b>
<b>For vendor doing business with local governmental entity</b>		
<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>	<b>OFFICE USE ONLY</b>	
<p>1 Name of vendor who has a business relationship with local governmental entity.</p>	<p>Date Received</p>	
<p>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.)</p>		
<p>3 Name of local government officer about whom the information is being disclosed.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Name of Officer</p>		
<p>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.</p> <p style="margin-left: 40px;">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> <p style="margin-left: 80px;"><input type="checkbox"/> Yes      <input type="checkbox"/> No</p> <p style="margin-left: 40px;">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> <p style="margin-left: 80px;"><input type="checkbox"/> Yes      <input type="checkbox"/> No</p>		
<p>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.</p>		
<p>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).</p>		
<p>7</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Signature of vendor doing business with the governmental entity      Date</p>		

**City of Denison  
Request for Proposals  
Annual Financial Audit**

**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

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.

**City of Denison  
Request for Proposals  
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**APPENDIX H**

**City of Denison  
Draft Agreement**

**PROFESSIONAL CONSULTING AGREEMENT FOR AUDITING SERVICES**

This Professional Consulting Agreement for Auditing Services (the "Agreement") is made by and between the City of Denison, Texas, a Texas home rule municipality ("City") and \_\_\_\_\_, a Texas [type of company], ("Auditor" and together with City, the "Parties"), with an effective date of \_\_\_\_\_, 2024.

**RECITALS**

WHEREAS, the City is responsible for maintaining a fiscally sound organization that conforms to legal requirements and to generally accepted financial management principles; and

WHEREAS, the City desires to maintain financial integrity by obtaining independent audit services from an independent accounting firm for the performance of the City's annual financial audit; and

WHEREAS, the City desires to prepare an Annual Comprehensive Financial Report that receives the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association; and

WHEREAS, Auditor agrees to provide independent audit services for the performance of the City's annual financial audit and further agrees to assist the City in sending the City's Annual Comprehensive Financial Report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program; and

WHEREAS, this Agreement complies with Local Government Code Chapter 103.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

**AGREEMENT**

This Agreement consists of the following documents which are attached hereto and incorporated herein for all purposes:

- Exhibit A - Auditor's Engagement Letter
- Exhibit B - City's Request for Proposals - Annual Financial Audit – May 2024
- Appendix A - Auditor's Responsibilities and Scope of an Audit in Accordance with the Auditing Standards and OMB Circular A-133 and UGMS
- Appendix B - City Management's Responsibilities
- Appendix C - Coordination of the Engagement
- Appendix D - Fee Estimate and Circumstances Affecting Timing
- Appendix E - General Business Terms

All exhibits and appendices are attached hereto, incorporated by reference herein and made a part of this Agreement for all purposes. The services to be performed by Auditor pursuant to this Agreement are subject to the terms and conditions set forth herein and in the accompanying exhibits and appendices. Such terms and conditions shall be effective as of the date of the commencement of such Services, as that term is defined below.

**City of Denison  
Request for Proposals  
Annual Financial Audit**

1. **SERVICES AND SCOPE OF WORK:** This Agreement anticipates the execution of Auditor's engagement letter dated \_\_\_\_\_, 2024, **Exhibit A**, attached hereto and incorporated herein (the "Services"), and sets forth the terms and conditions, and tasks and deliverables pursuant to which Auditor shall perform City's annual audit for the fiscal year ending September 30, 2024, as described in **Exhibit A** in conformity with generally accepted accounting principles. The Auditor shall refer to the Article 2 of the RFP in **Exhibit B** for specific requirements.
2. **TERM AND RENEWAL:** The initial term of this Agreement shall be for one (1) annual audit through the FY 2023-2024 annual audit. City, at its sole option and subject to annual review and recommendation by the Finance Director, may extend the term to include up to four (4) additional one year annual audits on the terms contained herein. Either party will have the right to terminate this Agreement by giving the other party thirty (30) days' written notice.
3. **COMPENSATION:** Auditor shall be compensated in accordance with its RFP bid, subject to annual budget funding as approved by the city council of the City of Denison, as follows:

<b>Fiscal Year</b>	<b>Financial Statement Audit</b>	<b>Single Audit (as required)</b>
2024		
2025		
2026		
2027		
2028		

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the Auditor's dollar cost fee estimate. Interim billing shall cover a period of not less than a calendar month.

4. **TERMS AND CONDITIONS OF AGREEMENT.** The Terms and Conditions of Agreement as set forth in Appendix E shall govern the relationship between City and Auditor. In the event of a conflict between the provisions of Exhibit A and the Terms and Conditions of Agreement set forth in Appendix E, the Terms and Conditions of Agreement set forth in Appendix E shall prevail.

Nothing in this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than City and Auditor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and its report users and not for the benefit of any other party. This Agreement constitutes the entire agreement between City and Auditor and supersedes all prior written or oral understandings.

Executed with an effective date as set forth above.

CITY OF DENISON

By: \_\_\_\_\_  
Judson Rex, City Manager

ATTEST:

By: \_\_\_\_\_  
Chris Wallentine, City Secretary

(AUDIT FIRM NAME) \_\_\_\_\_

By: \_\_\_\_\_

**City of Denison  
Request for Proposals  
Annual Financial Audit**

**APPENDIX I**

**City of Denison  
Audit Year 1-2024**

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE 2024 FINANCIAL STATEMENTS  
AS SET FORTH IN SECTION II

	<b>Number of Hours</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
<b>SUBTOTAL</b>			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
<b>TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2024 AUDIT</b>			<b>\$</b>

**Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.**

**City of Denison  
Request for Proposals  
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**APPENDIX J**

**City of Denison  
Audit Year 2-2025**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE 2025 FINANCIAL STATEMENTS  
AS SET FORTH IN SECTION II**

	<b>Number of Hours</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
<b>SUBTOTAL</b>			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
<b>TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2025 AUDIT</b>			<b>\$</b>

**Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.**



**City of Denison  
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**APPENDIX K**

**City of Denison  
Audit Year 3-2026**

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE 2026 FINANCIAL STATEMENTS  
AS SET FORTH IN SECTION II

	<b>Number of Hours</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
<b>SUBTOTAL</b>			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
<b>TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2026 AUDIT</b>			<b>\$</b>

**Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.**

**City of Denison  
Request for Proposals  
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**APPENDIX L**

**City of Denison  
Audit Year 4-2027**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE 2027 FINANCIAL STATEMENTS  
AS SET FORTH IN SECTION II**

	<b>Number of Hours</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
<b>SUBTOTAL</b>			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
<b>TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2027 AUDIT</b>			<b>\$</b>

**Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.**

**City of Denison  
Request for Proposals  
Annual Financial Audit**

**APPENDIX M**

**City of Denison  
Audit Year 5-2028**

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE AUDIT OF THE 2028 FINANCIAL STATEMENTS  
AS SET FORTH IN SECTION II

	<b>Number of Hours</b>	<b>Quoted Hourly Rates</b>	<b>Total</b>
Partners		\$	\$
Managers		\$	\$
Supervisory Staff		\$	\$
Staff		\$	\$
Other (specify)		\$	\$
<b>SUBTOTAL</b>			\$
Other expected fees			\$
Out-of-pocket expenses			\$
Meals and Lodging			\$
Transportation			\$
Other (specify)			\$
<b>TOTAL ALL INCLUSIVE MAXIMUM PRICE FOR 2028 AUDIT</b>			<b>\$</b>

**Note: The rate quoted should *not* be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.**