

**CITY OF JOHNSON CITY, TEXAS**



**REQUEST FOR QUALIFICATIONS  
FOR  
PROFESSIONAL AUDITING SERVICES**

**Rick Schroder  
Chief Administrative Officer  
303 E. Pecan Dr. (Physical)  
P.O. Box 369 (Mailing)  
Johnson City, TX 78636  
830-868-7111, Ext. 8**

City of Johnson City, Texas  
**REQUEST FOR QUALIFICATIONS**  
**Independent Professional Auditing Services**

**I. INTRODUCTION**

The City of Johnson City is requesting qualifications from qualified firms of Certified Public Accountants to conduct an independent audit of its annual financial statements for the fiscal year ending September 30, 2020, with the option of auditing its financial statements for the four (4) subsequent fiscal years, subject to an annual review. The purpose of the audit engagement will be to obtain the independent auditor's opinion on whether the financial statements are presented fairly and in conformity with generally accepted accounting standards. The City reserves the right to change the scope of work from an annual financial report to a comprehensive annual financial report in the future.

**II. DESCRIPTION OF THE CITY OF JOHNSON CITY**

The City of Johnson City is a Type A General Law City incorporated in 1944. It is governed by a City Council consisting of the Mayor and five Council Members. The City's estimated population is 2,131.

**III. SCOPE OF WORK TO BE PERFORMED**

The scope and audit approach shall be in accordance with Governmental Auditing Standards. The scope of work desired by the City shall include, but not be limited to:

1. Preplanning and preliminary analytical review to include internal controls, assessing materiality comparing budgeted to actual, comparing current year results to prior year results and investigating unusual or unanticipated fluctuations.
2. Audit field work to examine minutes; contracts; budget procedures; cash; investments; revenues; receivables; expenses; payroll; fixed assets; debt; leases; fund balances; grant documents; policies, general procedures and any pending litigation, judgements or claims against the City.
3. A Management Letter containing all constructive comments regarding the City's current environment, as well as proactive information regarding implementation of GASB requirements.
4. A report on the fair presentation of the financial statements in conformity with generally accepted accounting standards.
5. Single audit concerns, where required.
6. Assist the City in meeting deadlines for compliance with the General Accounting Standards Board Rules.

The auditor shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in design or operation of the 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 statement.

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

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

#### **IV. TIME REQUIREMENTS**

##### **Qualification Calendar:**

Request for Qualification Issued: May 6, 2021

Due Date for Qualifications: May 27, 2021 at 5:00 p.m. CST

#### **V. FIRM QUALIFICATION AND EXPERIENCE**

To fully evaluate a firm's ability to serve the needs of the City, qualifications should, at a minimum, address the following areas, which will be the criteria for selection:

- Firm qualifications, experience, and ability of audit firm to deliver required services;
- Submit a copy of the firm's recent audit for a public organization;
- Qualifications and experience of assigned staff;
- A listing of similar engagements with other governmental entities (maximum of 5);
- Approach to providing the required services, including any first-year audit requirements;
- Detailed audit plan, including firm's technique and approach, analytical procedures proposed, sample size, and the extent to which statistical sampling is to be used;
- An affirmative statement that the firm and all assigned key professional staff are properly licensed to practice as a Certified Public Accountants in Texas;
- A detailed listing of the documentation to be provided by the City and the timing of said documentation delivery to the auditors;
- Identification of anticipated potential audit problems; and
- Report format.

**IMPORTANT - Qualifications must be submitted in a sealed envelope. Faxed qualifications will not be accepted. Qualifications submitted in one original and two (2) copies are due at the City of Johnson City no later than 5:00 P.M. CST on May 27, 2021.**

**The City reserves the right to reject any or all qualifications submitted. At the discretion of the City, firms submitting qualifications may be requested to make oral presentations as part of the evaluation process.**

**Qualifications should be delivered or mailed to the following address:**

**Delivery Address**

**City of Johnson City**

**303 E. Pecan Dr. (Physical)**

**P.O. Box 369 (Mailing)**

**Johnson City, TX 78636**

**Attn: Rick Schroder, Chief Administrative Officer**

**Any Qualification received after the stated closing time will be returned unopened. Until the final award by the City of Johnson City City Council, the City reserves the right to reject any and/or all qualifications, to waive technicalities, to re-advertise, or otherwise proceed when in the best interest of the City.**

Award of a contract is contingent upon the budgeting and appropriation of funds for continuation of the professional services contemplated by this Request for Qualification.

Rick Schroder is available to discuss any aspects of the annual audit, and he may be reached by telephone at 830-868-7111, Ext. 8, with any questions.

**Proposer Warranties**

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

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_