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# Proposal to provide audit services

October 29, 2024
RFP TX2401

**Submitted to:**
Lyndi Birkhead
Texas Municipal Power Agency
Bryan, Texas 77805
lbirkhead@texasmpa.org

**Submitted by:**
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October 29, 2024

Lyndi Birkhead
Texas Municipal Power Agency
Bryan, Texas 77805
lbirkhead@texasmpa.org

Dear Lyndi:

Crowe LLP (Crowe) is pleased to present our proposal to provide external auditing services to Texas Municipal Power Agency (TMPA or the Agency).

Crowe is a public accounting, consulting, and technology firm with offices around the world. Our vision is built on deep specialization and a focus on our clients, our people, and the hallmarks of our profession: integrity, objectivity, and independence.

Crowe is an experienced, stable, and well-respected firm with a strong federal, state, and local government commitment. We have delivered high value results to our clients for decades, and we feel that we are well-suited to help the TMPA with this important project.

## Why Crowe?

Crowe is a global firm with a commitment to excellence, deep specialization, and timely response. We accomplish this by listening to our clients – about their businesses, trends in their industries, and the challenges they face.

## Capabilities and expertise

A qualified audit services provider has the capacity and expertise to meet your needs. Throughout the remainder of this document, we have detailed our qualifications. Listed below are the main points of emphasis.

- **National firm with a strong commitment to Texas.** We are a national top firm with more than thirty-seven offices across the country, including five in the State of Texas with approximately 500 employees assigned to our Austin, Dallas, El Campo, Houston, and Woodlands locations. We have been serving public sector entities for 50 years and have a team in Texas focused on serving the TMPA.

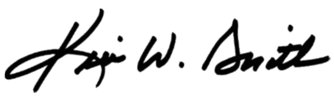
  **Texas is a strategic growth market for the firm.** This means that the TMPA receive comprehensive support from across the firm for resources allocated to this project. Additionally, in the unlikely event that staff replacement is required, the firm will prioritize this project to quickly find a replacement with equal or greater technical skill. Furthermore, while our proposal includes a team with diverse expertise, if another area of expertise becomes necessary, we have the capability to draw resources from within our firm to make sure this project remains a top priority.
- **Innovation and collaboration**. We bring innovative solutions and commit to collaborative approaches in working together. Our toolkit includes: (1) Remote Delivery Toolkit available for CPA users; (2) Trello and other cloud-based tools for simple intake, task-tracking, and real-time process management, and reporting; and (3) Data visualizations to see trends, using PowerBI or Tableau. (4) AI-driven solutions developed in-house to summarize information and detect patterns and anomalies.

We forge each relationship with the intention of delivering exceptional client service while upholding our firm's core values – care, trust, courage, and stewardship – and strong professional standards. Crowe has delivered value to our clients for decades by listening to their needs and developing a comprehensive understanding of their businesses and would appreciate the opportunity to do the same for you.

Crowe understands that both parties reserve their respective rights to negotiate appropriate and mutually acceptable provisions prior to execution of any Agreement should Crowe be considered for final negotiations.

Thank you for taking the time to consider our proposal. We are looking forward to demonstrating why Crowe is the best firm to engage for your audit needs.

Sincerely,



Kevin W. Smith
Partner

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# Deadline commitment

## Our understanding of your needs

We understand that you require an experienced, proficient provider that has the experience necessary to assist TMPA with audit services.

We understand that TMPA is requesting an audit of the Agency and its defined contribution pension plan for a period of five years, (fiscal years ending September 30, 2025, through September 30, 2029). We understand the deadlines for each of these deliverables and commit to completing our audit of the Agency financial statements by the first business day in December.  Additionally, we will complete the audit of the pension plan financial statements within the 210 days following the plan's year-end.

We understand that the Agency may periodically prepare an official statement (OS) in connection with the sale of debt securities. The OS will contain the basic financial statements and may require a debt service coverage calculation with an audit opinion. The Agency intends to include a statement in the OS that the auditor has not updated the opinion on the financial statements for the OS, thereby avoiding the need to reissue the opinion. This arrangement is acceptable to us.

## Transition Plan

A smooth transition is important to both the TMPA and Crowe. This is a chance to re-think how you perceive your internal financial management, audit and business partner relationships and start fresh. However, with a change in auditors, both Crowe and the TMPA must be willing to invest the time necessary to properly facilitate change. We expect to make an investment in our relationship which will be mutually beneficial to our organizations.

Involvement of Crowe government specialists so your staff does not have to "train" us on how you operate

Implementation of an "audit calendar" at the beginning of the audit process to facilitate mutually agreed-upon deadlines

Heavy senior-level involvement to address issues in a proactive manner and not at the last minute

Focus on utilizing Exchange in order to allow for real-time engagement monitoring and progress from both Crowe and client perspective

Upon approval of Crowe as the TMPA's auditors, we will schedule a planning meeting to meet with management to discuss roles and expectations of Crowe and the TMPA. Other audit planning meetings may be scheduled to discuss specific accounting and financial reporting and to analyze the programs and operational activity as well as tax planning and new developments.

Key elements of an effective transition plan include:

- Developing client and auditor expectations and performance measurements
- Developing timelines for audit services
- Communicating our audit approach

We will move quickly to execute the engagement letter. We will perform our formal due diligence and client acceptance procedures after you have communicated with your previous audit firm. As part of that process, we will assist you in requesting that Crowe have access to the current firm's workpapers and schedule a time to review those workpapers. The above services are included in the fee agreement we have provided.

### Proposed segmentation of the engagement

Independence, objectivity, and professional skepticism are hallmarks of our profession, and we take our obligations very seriously. It underlies every aspect our audits. At Crowe, we take our responsibility to our profession seriously. We have many rigorous processes in place to help our professionals maintain independence and conduct high-quality audits in accordance with professional standards. We focus on high-risk areas that matter and avoid wasting spending time on immaterial areas.

## Our Approach

We have invested heavily to create a highly flexible risk-based audit methodology. Our audit approach is comprised of four main phases that result in an audit that complies with regulatory requirements and recognizes your distinct business environment and risks.

While the audit process is managed in phases, decisions reached in an earlier phase of the audit may need to be reconsidered based on evidence obtained during a subsequent phase. Our audit is agile and will adjust as necessary to provide a high-quality audit. Throughout the audit, we will communicate with management, and work together to resolve questions or concerns.


We understand the essential role of the auditor and the importance of accurate financial reporting in establishing confidence in our capital markets. Our accomplished auditors perform critical evaluations of the audit evidence, and deliver high-quality work based on full competence and a comprehensive understanding of our clients' businesses. We perform audit work with due professional care and diligence while observing our profession's high standards.

### **Phase 1:** Planning and Initial Risk Assessment

Working closely with management, we evaluate your organization's risk of material misstatement of the financial statements, whether due to error or fraud. This phase will significantly affect how we design our audit, which is why we invest significant time in the planning process.

Your Crowe audit engagement team will perform the following key audit planning steps:

- **Understand Your Business.** We will work to understand your entity, the users of your financial statements, your business risks and other matters that may present risk of material misstatement of the financial statements.
- **Conversations with Your Personnel.** We will hold conversations and interviews with selected personnel, including key members of management and those charged with governance.
- **Identify Financially Significant Systems.** We will work to understand the key financial accounting systems that you use in your financial reporting processes.

- **Assessment of Risk of Material Misstatement.** We will review the information collected and using proprietary Apps that are built into Crowe Insight Center for Audit, assess the risk of material misstatement of the company's financial statements, whether due to error or fraud. We will then use the Apps to plan our approach to mitigate the risks to an acceptable level.
- **Assessment of Materiality Levels.** We will set the appropriate levels of materiality to be used in the audit. The determination of materiality levels is influenced by our professional judgment and our perception of the needs of your financial statement users.
- **Formalization and Communication of Audit Plan.** To conclude phase one, we create a project plan, communicate with you and your team, coordinate time frames for each phase of the audit, and schedule key dates for audit deliverables.
- **Arrange for Client Assistance.** Using our proprietary technology, our Crowe Exchange system, we will set up a secure, Web-based portal to share information with your team.

## **Phase 2:** Assessment of Controls

During this phase, we work to understand certain controls that your organization has in place to prevent or detect material misstatements.

These can comprise:

- Entity-level controls
- IT general controls
- Management review controls
- Account-specific controls
- Journal entry controls
- Financial reporting controls

## **Phase 3:** Design and Perform Audit Procedures

We will tailor our audit response to the assessed risks of material misstatement, by designing and performing an appropriate mix of audit procedures, including tests of the operating effectiveness of controls, analytical procedures and tests of details.

We will test the operating effectiveness of any controls on which we plan to rely. Effective controls can help reduce the risk that material misstatements will not be prevented or detected and thus can reduce the extent of other audit testing to be performed.

We may incorporate data visualization tools and data analytic techniques as part of our testing procedures. These technologies allow use to analyze and test your data and transactions at a different level of granularity.

Applying the right mix of necessary procedures requires a deep understanding of your industry, business and the risks of material misstatement. We select audit procedures that deliver high quality audit evidence with a goal of reducing risk to an appropriately low level.

## **Phase 4:** Completion, Accumulation of Results & Reporting

Near the end of the audit, your engagement team will perform wrap-up procedures, which can include:

- Final analytical procedures
- Subsequent events
- Obtaining representations from management

We will assess both the nature and magnitude of any misstatements found during our audit. The goal of this assessment is to determine whether the financial statements are free from material misstatement.

- Management letter (if applicable), which will offer recommendations to improve internal controls, administrative efficiencies, and profitability; and
- Report on matters required by SAS 114, which includes a discussion of new accounting procedures implemented, proposed audit adjustments, significant audit estimates, and any additional applicable items.

Once the reports have been reviewed by management and are approved in final form, we will be available to meet with those charged with governance to review the reports and address questions. Auditing standards require the auditor's report not be dated earlier than the date on which the auditor has obtained sufficient appropriate audit evidence to support the opinion.

**Timing**: We understand the importance of meeting your reporting deadlines. Our preliminary plan is in accordance with your timeline as described below:

| Description | Timing |
|---|---|
| **Audit of TMPA Financial Statements** | |
| Preliminary planning meetings and audit plan development | July 2025 |
| Interim fieldwork and control testing | August 2025 |
| Begin year end field work | October 2025 |
| TMPA provides draft financial statements to auditors | November 2025 |
| Fieldwork complete; Crowe provides drafts of management letter audit committee letter | November 2025 |
| Audit complete, opinion provided | First business day December 2025 |
| Present to Board | Mid-December 2025 |
| **Audit of Pension Plan Financial Statements** | |
| Preliminary planning meetings and audit plan development | February 2026 |
| Final fieldwork | March 2026 |
| Fieldwork complete; Crowe provides draft financial statements for management's review | March 2026 |
| Audit complete, opinion provided | March 2026 |

## Emerging Transition Points

### GASB 100 Accounting Changes and Error Corrections

Effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

### GASB 101 Compensated Absences

GASB 101 was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

### Implementation Guidance Update – 2021-1 q 5.1 & 2023-1

GASB has issued an Implementation Guidance Update – 2023 which was applicable to the TMPA for 2023 and should have been implemented. Implementation Guides typically introduce new questions and answers, amendments to previously issued questions and answers, and other implementation guidance. The TMPA should also be mindful of the Capital Assets implementation guide on the grouping of capital assets exceeding threshold in aggregate.

### Revenue and Expense Recognition

GASB has initiated a project to review revenue and expense recognition because common exchange transactions in practice aren't covered in existing GASB literature, GASB 33 and 36 have areas that need to be improved for distinguishing between eligibility requirements and purpose restrictions, whether availability periods are consistent across governments and whether transactions are classified appropriately as exchange or nonexchange transactions. Deliberations are ongoing, and an Exposure Draft is expected March 2025 and final statement is scheduled June 2027.

## Audit Technology Support Tools

Our firm's success is built on quality, innovation and specialization. Nourishing a culture of innovation allows us to advance constantly our tools and processes to provide exceptional service delivery. It also contributes to our ability to attract and retain some of the best and brightest minds in our profession. Crowe provides the deep industry and functional specialization of an accounting and consulting firm, coupled with the ability to drive continuous improvement through technology. Three of our core audit technology tools include the following:

Crowe

**Crowe Exchange**
Client Secure Information Exchange Portal

**Crowe Insight**
Workpapers & Proprietary Audit Methodology

**Crowe Ignite**
Digital Auditing, Analytics & Automated Testing

### Crowe Secure Information Exchange (Crowe Exchange)

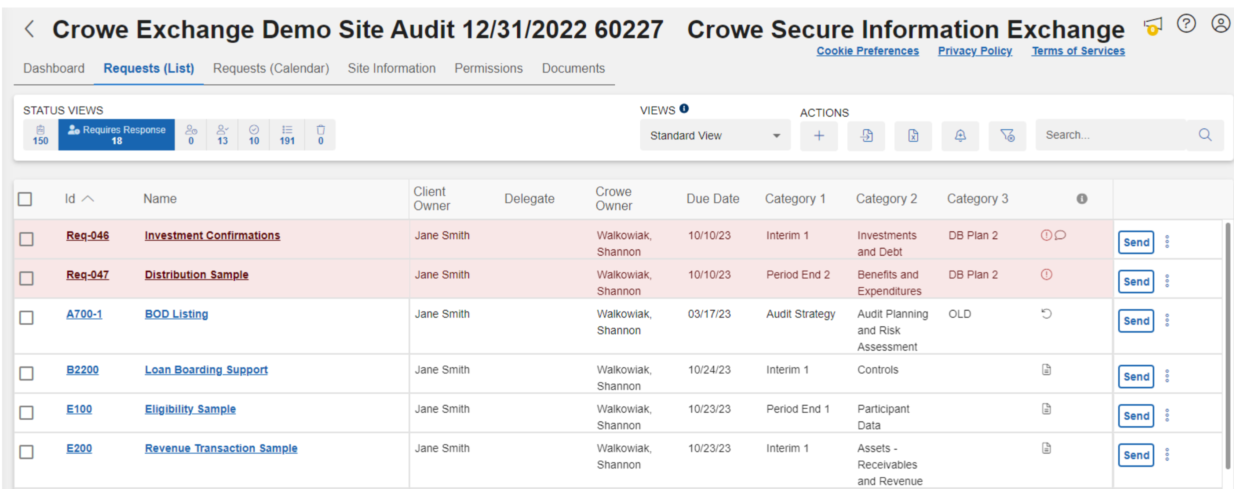
In many engagements, a significant amount of time is spent gathering key documents, data, and reports so we can perform analyses, respond to questions and build recommendations.

To make it easy for you to organize your data and respond to requests, we have developed a secure solution called Crowe Secure Information Exchange or Crowe Exchange, for short. This solution makes it easy for you and your team to collaborate with us.

This is a secure, easy-to-use, web-based solution that allows us to work efficiently and effectively with you. It includes:

- Multi-factor authentication (MFA), one of the most effective controls in the industry to protect against cyber threats.
- An effective workflow and management of information exchange.
- Streamlines the data and document collection process.
- Reports status updates through dashboards with easy-to-use navigation.
- Centralizes communication and information sharing.
- Documents and tracks requests and historical records.
- Giving you the option of managing workflow through a centralized individual who can assign and delegate requests to other company personnel. This lets you track project activity by assigned individual, due date, and status with a user-friendly, easy-to-use, dashboard interface so you can quickly view and monitor project progress.




Through a single portal, this solution allows you to gain visibility into one or multiple projects you may be running with us. Please go to this link for a five-minute video for an overview of the solution.

https://crowe.widen.net/s/l82l0p5fy6

## Crowe Insight™

Developed by our Crowe innovation team, Crowe Insight Center for Audit™ combines leading-edge technology with functional knowledge and industry expertise. This advanced audit platform helps facilitate an effective audit process. It also provides us with the ability to quickly respond and to adapt the platform with the ever-changing technology environment.

The technology we use and continue to enhance for an external audit including planning, assessing risk, setting scopes, and designing procedures is highly systematized and scalable.

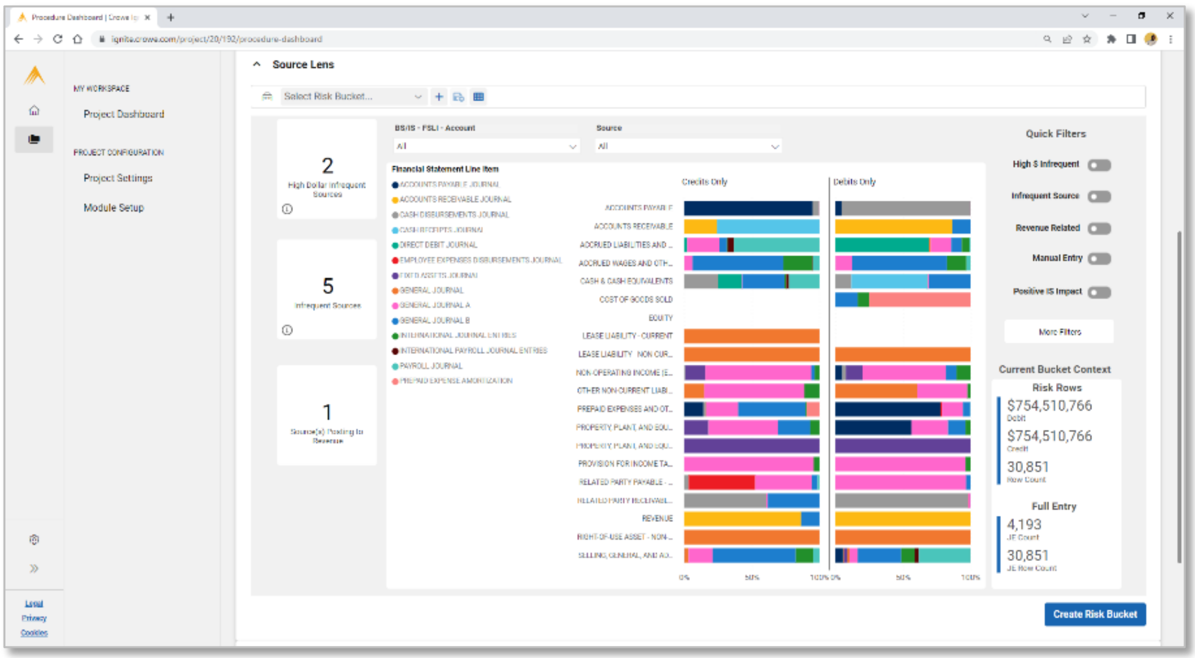
This technology-rich methodology enables our auditors to place more focus on higher-risk areas and enables advancements in the areas of:

- higher-quality audit evidence
- better correlation of audit tasks to risks and assertions
- higher confidence in the data being reported

## Crowe Ignite

Crowe Ignite is our digital auditing platform, powered by data and designed to deliver advanced analytics and automated testing.

Fueled by our custom and third-party data connectors, Crowe Ignite enables a more continuous audit approach. Driving an efficient and high-quality audit engagement. Designed and built by cross-functional teams of software developers, audit subject matter experts, data analytics and data science specialist.



# Contacts

This proposal is being submitted by Kevin W. Smith, partner, who is authorized to represent the firm, empowered to submit the proposal, and is authorized to negotiate and execute a contract with the Texas Municipal Power Agency (TMPA).

Kevin W. Smith, Partner
Crowe LLP
2200 Ross Avenue, Suite 4200E
Dallas, Texas 75201
Direct 214.777.5208 | kevin.w.smith@crowe.com

# Firm information

## About Crowe

Crowe LLP (Crowe) was founded in 1942 in South Bend, Indiana, and has been in business for 82 years. Headquartered in Chicago, Illinois, Crowe is a global accounting, consulting, and technology firm with more than 6,700 personnel, over 500 partners/principals, and 37+ U.S. locations across the nation.

**6,700+** PROFESSIONALS [1] across **37** U.S. OFFICES

*[1] Includes subsidiary offices*

Because we operate within industry specializations as a national practice, we can pull expertise from many parts of the firm to best support your needs. Connecting deep industry and specialized knowledge with innovative technology, our dedicated professionals create value for our clients with integrity and objectivity. Crowe is recognized by many organizations as one of the country's best places to work.

### Fortune 100 Best Companies to Work for 2024

Crowe once again is named one of the Fortune 100 Best Companies to Work For in 2024. Crowe is recognized for offering a great workplace and a positive experience for all employees – regardless of job role, race, gender, or any other demographic identifiers. Everyone at Crowe plays a role in fostering and living by a strong, values -based culture. This is Crowe's fifth appearance on the premiere best workplaces list. The award is based on an analysis of survey responses from more than half a million U.S. employees at Great Place to Work-Certified™ organizations.

***Our purpose and values are our guiding force in everything we do.***

<u>Our Purpose Drives Us</u>

Our purpose is: Shaping Your Better Tomorrow. Together. Today. It is the standard we live by and reflects what we hold important as both a firm and as individuals.

We are driven by passion, deep understanding, and integrity. We work together as a team to serve the needs of our people and our communities. We embrace and celebrate collaboration, growth, and learning.

We lead with insights, and we are committed to always do better and be better. We embrace the legacy of where we have been, and our duty to tomorrow.

**SHAPING YOUR BETTER TOMORROW.** TOGETHER. TODAY.

<u>Our Values & Philosophy</u>

Our values reflect what we hold important as both a firm and as individuals. By living out our values every single day, in every single interaction, we drive the purpose of the firm forward. These values are the fabric that makes up the tapestry of our purpose, and that tapestry is the foundation for all the work we do.

CARE
TRUST
COURAGE
STEWARDSHIP

Starting with our core purpose of "Shaping Your Better Tomorrow. Together. Today." our values bring together the guiding principles that all members of the firm, regardless of title or position, are expected to use in their interactions with colleagues, with clients, and in the communities and profession in which we work. It explains to our people the standards and expectations of ethical conduct that Crowe requires when doing business, wherever that might be.

This core purpose and our core values – care, trust, courage, and stewardship – guide us in exercising professional skepticism, objectivity, and being free of conflicts of interest. They guide our people in acting with the utmost integrity and professionalism in each interaction and provide a solid foundation for the firm.

The Power of Crowe means our clients have access to the top expertise across the firm and experience a seamless collaboration between our offices, our business units, our subsidiaries, and our international network in the delivery of that expertise. For our people, it means career growth opportunities and potential for leadership development. Crowe invests in and engages the most effective resources available and goes deeper to find valuable insights and opportunities. We embrace collaboration and diversity, equity, and inclusion as a way of being and show up every day with focus and passion. At Crowe, our people work together across our functional areas to shape a better tomorrow.

Additional information on our firm's key leaders can be found on our website. https://www.crowe.com/about-us/leadership

## Client experience

At Crowe, our clients are at the heart of everything we do, and we strive to demonstrate exceptional care and service through every step of the client journey.

To help us understand each client's unique needs and value expectations, we listen closely through multiple sources, including a feedback survey that enables clients to evaluate our performance. Through the survey, clients consistently rate us highly for our industry expertise and our exceptional responsiveness, among others. Our aim is to provide a truly unrivaled experience for our clients, and maintaining their confidence and trust is of utmost importance.

Crowe uses a best-in-class experience management platform to monitor the experiences we deliver to clients. In the most recent fiscal year*:

**97%** said that given the choice, they would do business with Crowe again.

**96%** said they would recommend Crowe to a colleague.

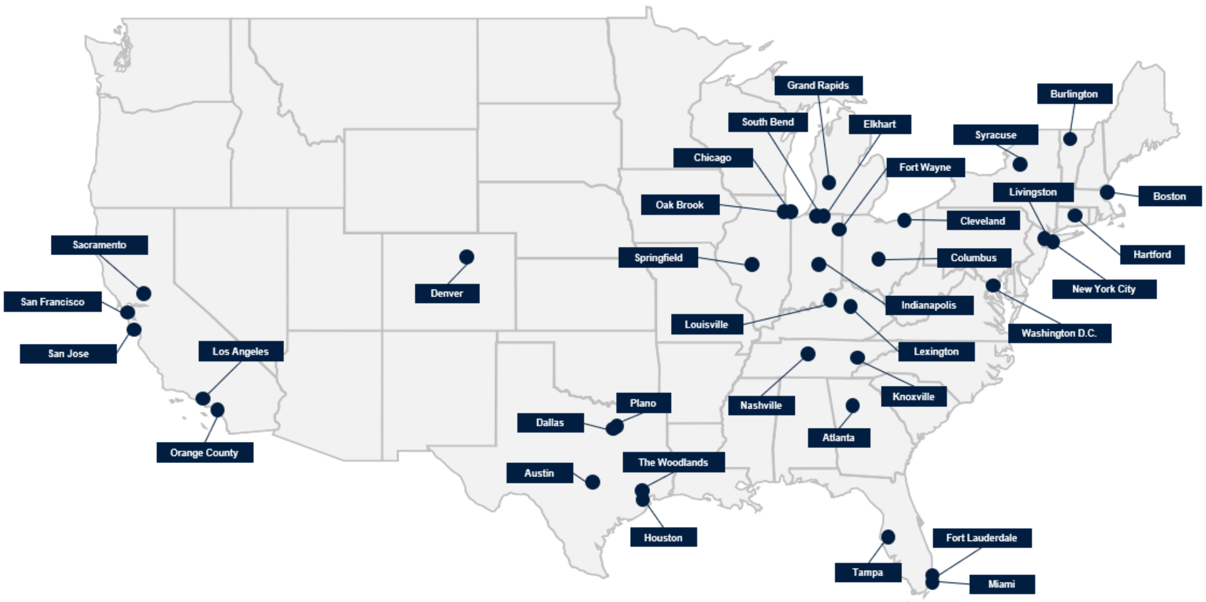
**95%** said they like doing business with Crowe.

* Over 600 completed client surveys

Client experience resources
If, for any reason, a client is faced with a challenge or issue that is unresolvable with their Crowe partner, we encourage them to contact our Client Experience leader at ClientExperience@crowe.com. The Client Experience leader works with our clients and Crowe leaders to understand and resolve the issue while taking steps to avoid similar situations in the future.

## Office Locations

Crowe serves clients coast to coast from the following office locations:




With a dedicated, on-the-ground presence in Texas, our team can focus on the industries and issues that affect Texas-based businesses specifically.

## Size of the governmental audit staff

We recognize that our professionals are invaluable delivering the proposed services. Our teams build long-term client relationships based upon integrity, trust, and mutual respect. Our vision is that our people come to work every day motivated to provide our clients with an exceptional experience in every interaction and to help our professionals maintain objectivity in the delivery of our services. We are proud that Crowe is recognized by many organizations as one of the country's best places to work, as it demonstrates engagement continuity throughout the relationship.


The Crowe public sector team is comprised of more than **400 professionals** serving more than **1,000 public sector entities** across the country. We operate within industry specializations as a national practice and can pull expertise from many parts of the firm to best support your needs. Connecting deep industry and specialized knowledge with innovative technology, our dedicated professionals create value for our clients with integrity and objectivity.

## Public Sector Specialization & Relevant Experience

Crowe has diverse, in-depth governmental experience that delivers insight and solutions to public sector agencies. Crowe has been serving the needs of government organizations for **50 years**. We have developed a national state and local government practice that includes entities across the country allowing us to provide you with more global insights about financial reporting and operational issues local government agencies face.

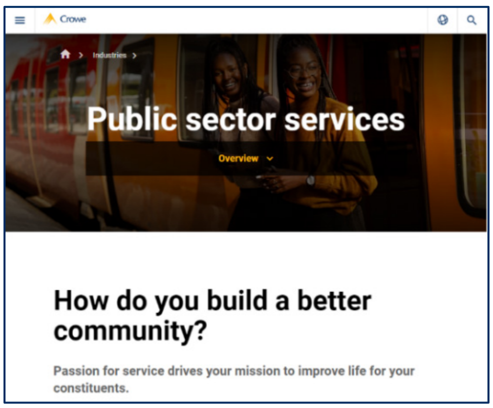
Crowe continues to make the long-term investment in transportation, state and local governments, utilities, retirement systems, local education agencies, higher education, and not-for-profits. Our professionals are passionately interested in our public sector clients and are focused on providing outstanding service. We have continued investing in the industry through industry roundtables, relevant continuing professional education, and the development of innovative technology solutions specifically for governments.

The firm has further demonstrated its commitment specifically to the public sector with increased professional staff dedicated to the government space and support of government industry groups and forums such as **GFOA, GASB, AICPA and more**. This approach and commitment benefit our clients, our business, and our communities.

Our commitment to deep specialization allows us to develop and retain personnel who are familiar with the government environment, work with diverse organizational and governance structures, and participate in understanding, developing, and implementing best practices with our clients.

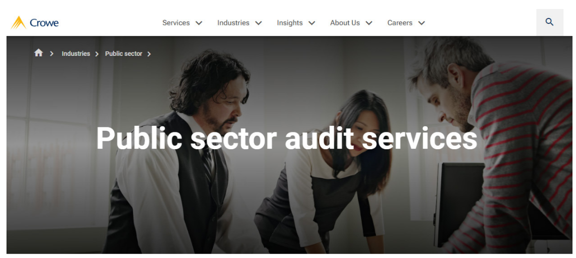
What truly differentiates us from other firms is our commitment to the public sector through our thought leadership and educational materials, association involvement, and the tools and technology we develop for efficient and effective project management.

**This is our specialty.** Read more here: https://www.crowe.com/industries/public-sector/audit




You can also learn more about our Local Government and audit services.

https://www.crowe.com/industries/public-sector




**Public sector audits performed by deeply experienced auditors**

## Industry knowledge and experience

A critical element building deep industry knowledge is leadership within the industry and the standard setting process.

## GASB Practice Fellow

Crowe has extensive experience with government accounting and financial management, as well as internal controls, system implementation, and change management. Crowe has a solid track record of implementing new GASB Standards, such as *Statement No. 96 Subscription-Based Information Technology Arrangements.*

As it specifically relates to GASB Statements No. 87 and No. 93, Crowe has a distinct advantage over other public accounting firms by having a former GASB Practice Fellow. From 2018-2020, GASB's Practice Fellow was Crowe Senior Manager, Hollis Hanson-Pollock. GASB selected Hollis to participate in a two-year fellowship at GASB's headquarters in Norwalk, Connecticut.

**Hollis Hanson-Pollock**, Former GASB Practice Fellow

The Practice Fellow's role is to act as an assistant project manager focusing on specific projects. The Practice Fellow works directly with GASB Project Managers on short-term and major long-term projects, focusing on implementation and emerging practice problems. The Practice Fellow is involved with making recommendations to the GASB on technical issues, developing and drafting accounting standards, and participating in discussions at meetings of the GASB and the Government Accounting Standards Advisory Board.

During Hollis' two-year fellowship with the GASB, she worked on the projects that culminated in the issuance of Statement No. 92, Omnibus 2020; Implementation Guide No. 2019-3, Leases; and Implementation Guide No. 2020-1, Implementation Guidance Update-2020; and led the project that culminated in the issuance of Statement No. 93, Replacement of Interbank Offered Rates. She also worked on the Revenue and Expense Recognition and Accounting and Financial Reporting Issues Related to the CARES Act of 2020 and Coronavirus Diseases projects and pre-agenda research related to Going Concern Disclosures.

Hollis is now back working at Crowe and has been instrumental in providing guidance and support on new GASB Statements to both our clients and our engagement teams. In addition, as a firm, we have been very active in helping our audit clients prepare for new GASB Statements through webinars, white papers, implementation planning meetings, and personalized training events.

**GASB Technical Inquiry**

Further, given Crowe's active role in National Thought Leadership with standard setting bodies, such as GASB, or the AICPA State and Local Government Expert Panel and AICPA Government Audit Quality Center, Crowe has a direct line to assist in any technical consultations regarding compliance, audit, tax, or financial accounting and reporting matters. This helps mitigate any disagreements and benefits TMPA in getting to the right technical answer on any accounting, auditing, and tax matters. We have experience consulting directly with the GASB staff on complex matters such as GASB 51 intangible assets in relation to perpetual ownership to software, GASB 84 fiduciary activities in relation to numerous of our clients' responsibility to allocate and distribute funds held in a fiduciary capacity at their respective cities, GASB 87 Leases that resulted in the publishing of Implementation Guide questions, GASB 94 Public-Private and Public-Public Partnerships and Availability Payment.

Kevin Smith, (a Texas based partner), is a recent member of the **Governmental Accounting Standards Advisory Committee** (GASAC), which advises the **Government Accounting Standards Board (GASB)** on issues related to projects on their agenda, possible new agenda items, project priorities, and procedural matters that may require the attention of the GASB.

**Certificate of Achievement for Excellence in Financial Reporting (COA) Program**

Many of our audit client's issue ACFRs and participate in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (COA) program. We have experience advising entities on qualifying for this award as well as volunteering as official GFOA reviewers. Our audit teams have gained valuable insights from these experiences allowing us to provide sound advice to our clients on improving the effectiveness of their financial reporting.

**Single Audit Experience**

Should the need ever arise at the TMPA, the Crowe audit team has experience with several Federal and state cognizant agencies. During the audits, we have worked closely with a variety of Federal agencies including the U.S. Housing and Urban Development, U.S. Health and Human Services, U.S. Department of Transportation, U.S. Department of Treasury, and many others. Specifically, your engagement team has extensive experience auditing the Community Development Block Grants/Entitlement Grants, Highway Planning and Construction program, Equitable Sharing, and COVID related grants.

Members of our engagement team have direct experience auditing these complex federal grants at large organizations.

- $809 million – Kentucky Housing Corporation
- $768 million – Clark County, Nevada
- $380 million – Dallas Area Rapid Transit
- $250 million – Miami Dade Transit
- $146 million – Workforce Solutions Greater Dallas
- $67 million – Metropolitan Transportation Commission
- $26 million – City of North Las Vegas
- $ 5 million – City of Richardson
- $ 3 million – City of Cedar Hill

Crowe is a proud member of the AICPA Government Audit Quality Center and shares the organization's commitment to promote quality government financial statement and grant compliance audits throughout the United States to this end members of our firm have conducted national AIPCA webinars on the implementation of the Uniform Guidance. Crowe has also delivered a 5-part webinar series on the Uniform Guidance. Our goal is a smooth execution of our client's Single Audit through timely upfront education on emerging federal grant issues.

## Electric Utility Operations

Crowe has worked with municipal enterprise operations ranging from transit, airports, water, sewer, power/electric, golf courses and convention centers. Specific to utilities, Crowe has breadth of experience in serving over 100 public and private utilities.

Evolving regulations, fluctuations in the economy, new technologies, and changing community needs are complicating the delivery of vital services provided by municipal utilities. Crowe specialists offer public sector client's objective solutions to assist utility organizations including:

- Performing financial and compliance audits in accordance with professional standards
- Analyzing revenue requirements and designing rate structures
- Strengthening information technology security and privacy controls
- Complying with state and federal regulations

Crowe works with a variety of organizations in all major segments of the energy sector. Our client base includes governments, public companies, privately held organizations, and municipal utilities. Our experience includes electric, natural gas, propane, thermal and water. We have worked with clients focused on energy exploration, generation (co-generation, coal-powered, nuclear, etc.), transmission (power purchase and supply, capacity), and distribution (residential, commercial, and industrial). We also have experience with all aspects of energy marketing, including hedging, derivatives management and contract management, monitoring, and risk assessment and mitigation.

In addition to audit services, Crowe offers the following services to our utility customers:

- Conduct revenue sufficiency reviews based upon an analysis of pro forma revenues and expenses as determined by a review of historical financial information or engineering estimates.
- Implement cost of service studies to design rates and charges to collect the appropriate level of revenue from each class of customer based on an analysis of costs.
- Operations reviews to determine if other user fees or non-recurring charges can be established to supplement revenues or identify areas of efficiency to reduce expenses.
- Analyze impact or capacity fees or other capital charges designed to aid in financing capital improvements and additions.
- Calculate fuel cost adjustments, wholesale trackers or other flow-through types of charges.
- Provide representation before federal, state or local regulatory agencies, courts, boards and councils.

We have provided an example listing of current and past entities with enterprise operations served by members of the Crowe public sector team with audit, tax and/or consulting services.

| Entity Name | Electric Utility Operations |
|---|---|
| City of Lakeland, Florida | Electric, Water, Wastewater, Parking, Airport |
| City of Hempstead | Electric, Water, Wastewater |
| City of Livingston | Electric, Water, Wastewater |
| City of Schulenburg | Electric, Water, Wastewater |
| Richmond, Indiana Power & Light | Electric |
| Crawfordsville, Indiana Electric | Electric |
| Frankfort, KY Plant Board | Electric, Water, Telecom |
| City of Ft. Wayne, Indiana | Electric, Water and Sewer, Wastewater, Solid Waste |
| Greenfield, Indiana Electric | Electric |
| Riverside Public Utilities | Water, Electric |
| North American Electric Reliability Corporation | Electric |
| American Electric Power | Electric |
| Pacific Gas & Electric Company | Electric |
| California Public Utilities Commission | Water/Electric Regulatory Agency |
| Big Rivers Electric Corporation | Electric |
| Chesapeake Energy | Electric |
| Citizens Energy Group | Electric |
| Nashville Electric Service | Electric |
| Starwood Energy Group | Private investor-owned electric generation |
| Primary Energy | Private investor-owned electric generation |
| Lakeside Energy | Private investor-owned electric generation |
| Canal Generating | Private investor-owned electric generation |
| RED-Rochester | Private investor-owned electric generation |

## National government practice

Crowe brings extensive experience to public sector agencies, offering clear insights into their challenges and solutions. We support numerous state and local governments across the country through thousands of projects. Our expertise helps governments enhance transparency, accountability, and service quality for their constituents.

Highlighting our extensive experience with government entities, here is a sample of those served by Crowe:

**Government Clients**

**California**

- State of California (50+ agencies)
- County of Los Angeles
- County of Orange
- County of San Diego
- City of Beverly Hills*
- City of Cupertino*
- City of Los Angeles
- City of West Sacramento*
- City and County of San Francisco*
- San Diego Association of Governments*
- San Bernardino Council of Governments*

**Florida**

- City of Fort Lauderdale *
- City of Lakeland*
- City of Miami Beach*
- City of Tampa*
- City of Tarpon Springs*
- Pinellas County, Florida*
- Pinellas County Sheriff's Office*
- Pinellas County Clerk*
- Broward County*
- Broward County Sheriff's Office*
- Miami-Dade County Transit*
- Randolph County*

**Illinois**

- Chicago Public Schools
- City of Burbank*
- Village of Bolingbrook*
- City of Calumet City*
- City of Chicago
- City of Decatur*
- City of Des Plaines*
- County of Cook
- County of DuPage*
- Village of Glendale Heights*
- Illinois Governor's Office of Management and Budget
- Illinois Housing Development Authority
- Illinois State Treasurer Office*
- Illinois State Board of Education*
- County of Lake
- Village of Matteson*
- Village of Richton Park*
- Will County*

**Ohio**

- Montgomery County
- Franklin County

**Nevada**

- City of Las Vegas*
- City of North Las Vegas
- Clark County*
- Regional Transportation Commission of S. Nevada*
- Regional Transportation Commission of Washoe County*
- Las Vegas McCarran Airport*
- Reno-Tahoe Airport*

**Indiana**

- County of Bartholomew
- City of Bloomington*
- Capital Improvement Board of Managers
- Clark County*
- City of Evansville*
- City of Hammond*
- Indiana Housing & Community Development Authority
- County of Lake
- City of Indianapolis-Marion County
- Health and Hospital Corporation of Marion County
- Indianapolis Department of Metropolitan Development
- Indiana Stadium and Convention Center Authority
- Randolph County
- St. Joseph County
- Vanderburgh County*

**Texas**

- City of Cedar Hill*
- City of Dallas
- City of Fort Worth
- City of Frisco*
- City of Richardson*
- City of University Park*
- Dallas Area Rapid Transit*
- Dallas County Utility and Reclamation District*
- Fort Worth Transportation Authority*
- North Texas Municipal Water District*
- North Texas Tollway Authority*
- Texas Department of Transportation*
- Central Texas Turnpike Authority*
- Grand Parkway Transportation Corp.*
- Texas Mobility Fund*
- Texas Office of the Governor Texas Leverage Program and the PDSBI Program*
- Teacher Retirement Investment Company of Texas, Ltd.*
- Workforce Solutions Greater Dallas*

**** Past or current audit client of Crowe***

# Service office

### Texas commitment & local offices

Crowe has significantly invested in Texas, with more than 600 personnel across five offices throughout the state. Your engagement team will primarily consist of personnel from our Dallas and Houston offices, supported and complemented by our public sector services specialists throughout Texas and nationally. Our Texas office locations are listed below.

**Crowe LLP – Austin**
901 S. MoPac Expressway, Bldg. II, Suite 450,
Austin, Texas 78746
Tel 512.480.8182

**Crowe LLP – Dallas**
2200 Ross Ave. Suite 4600E
Dallas, Texas 75201
Tel 214.777.5200

**Crowe LLP – Houston**
9 Greenway Plaza, Suite 1700
Houston, Texas 7706
Tel 713.667.9147

**Crowe LLP – Plano**
5810 Tennyson Parkway, Suite 450
Plano, Texas 75024
Tel 214.777.5200

**Crowe LLP – The Woodlands**
25700 Interstate 45 N., Suite 175
The Woodlands, Texas 77386
Tel 281.362.9732

We are proposing a handpicked team from our national public sector practice to serve TMPA, including specialized teams to serve TMPA's different operating functions or different components of the audit scope of work.

# References

Delivering value to our clients comes from quality work rooted in strong skills and deep expertise. Quality service means prompt, efficient delivery and clear communication. For over 80 years, Crowe has met client needs by thoroughly understanding their businesses, and we are eager to do the same for you.

| City of Richardson | |
|---|---|
| **Contact Information** | Anita Cothran, Finance Director<br>972.744.4144 \| anita.cothran@cor.gov |
| **Scope of Work** | • Audit of the Annual Comprehensive Financial Report<br>• Federal and state single audit |
| **Dates of Service (Year)** | 2015 - present |

| North Texas Tollway Authority | |
|---|---|
| **Contact Information** | Horatio Porter, CFO<br>214.224.2247 \| hporter@ntta.org |
| **Scope of Work** | • Audit of the Annual Comprehensive Financial Report<br>• Agreed Upon Procedures – TSA<br>• Agreed Upon Procedures – Annual Debt Service (as needed) |
| **Dates of Service (Year)** | 2009 - present |

| Texas Department of Transportation | |
|---|---|
| **Contact Information** | Stephen Stewart, CFO<br>512.486.5657 \| stephen.stewart@txdot.gov |
| **Scope of Work** | • Audit of the Annual Comprehensive Financial Report<br>• Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards<br>• Three additional stand-alone audit reports<br>• Agreed upon procedures – toll revenue and expenditures |
| **Dates of Service (Year)** | 2014 - present |

# Summary of staff experience

The ultimate success of our relationship with the TMPA involves the commitment of an accomplished team of experienced professionals.

We designate senior managers and partners to key aspects of the audit, matching their expertise to your organization's structure. By maintaining regular communication with your team, we gain a comprehensive understanding of your requirements and expectations, allowing us to respond effectively.

Our aim is to collaborate efficiently to achieve outcomes. We prioritize open and prompt communication, along with quick issue resolution. Regular phone calls, virtual meetings, and emails are included as part of our service at no extra charge to you.

Your proposed engagement team is well-qualified to provide the TMPA with quality, timely, and personalized service. Michelle will lead the team and will manage the coordination of all services for the TMPA. Michelle will be the single point of contact coordinating delivery of the audit segments and specialists and overseeing all services for consistency and cohesiveness while Ben leads the staff in the field for day-to-day operations.

<table>
<tr><th colspan="2">Core Team</th><th>Proposed Role on Engagement</th><th>License</th></tr>
<tr><td></td><td>Kevin W. Smith<br>Signing Partner</td><td>Mr. Smith will serve as the lead engagement partner, responsible for establishing the strategic direction, coordination, and execution of all services to TMPA. He will be the primary liaison to TMPAs executive management and the Board. He will also be responsible for quality control throughout the engagement and will verify that all reports and audit workpapers adhere to professional standards prior to issuance.</td><td>CPA</td></tr>
<tr><td colspan="4">Mr. Smith has more than 32 years of experience providing both advisory and financial statement and compliance audits to not-for-profits and local governmental entities receiving federal awards. He is a past two term member of the AICPA's State & Local Government Expert Panel. His most significant similar engagements have included: Texas Department of Transportation, Teacher Retirement System of Texas, Teacher Retirement Investment Company of Texas, Ltd.(TRICOT) and the Texas Office of the Governor(TxOOG), Texas Leverage Fund Program (TLF) as well as Office of the Governor Economic Development and Tourism Office Product Development (PD) and Small Business Incubator Fund (SBI), City of Richardson, City of Cedar Hill, North Texas Tollway Authority (NTTA), and Dallas Area Rapid Transit (DART).</td></tr>
<tr><td></td><td>Kathy Lai<br>Concurring review partner</td><td>Kathy will perform a technical review of all reports that will be issued and discuss technical accounting and auditing issues and significant transactions with the audit team.</td><td>CPA</td></tr>
<tr><td colspan="4">With more than 23 years of experience, Kathy is a licensed CPA and CGMA. Kathy has served as a member of the AICPA State and Local Government Expert Panel and currently serving on the CalCPA Governmental Accounting and Auditing Committee. Kathy is a frequent speaker for the AICPA Government Audit Quality Center, GFOA, CSMFO, National Grants Management Association, National Association of State Auditors, Comptrollers, and Treasurers and Public Pension Finance Forum.</td></tr>
</table>

<table>
<tr><th colspan="2">Core Team</th><th>Proposed Role on Engagement</th><th>License</th></tr>
<tr><td></td><td>Blake Burgess<br>Electric utility specialist</td><td>Mr. Burgess will serve as an electric utility specialist on the audit team. He will provide guidance throughout the audit as needed specifically related to the complexities around production and transmission, as well as agreements in place.</td><td>CPA</td></tr>
<tr><td colspan="4">Mr. Burgess has 19 years of experience at Crowe providing professional services to both public and private companies within the manufacturing, distribution, power generation and renewable energy industries. He has substantial experience working with energy and utility companies and understands the complexities of power purchase agreements, capacity and generation commitments, environmental remediation obligations, major maintenance projects as well as revenue recognition.</td></tr>
<tr><td></td><td>Michelle Buss<br>Senior manager</td><td>Ms. Buss will serve as the senior manager over all aspects of the audit. Her responsibilities will include leading and monitoring all stages of the audit, supervising all fieldwork, facilitating communications with the engagement partner, concurring review partner, firm specialists, management, and audit team. The audit senior manager will also perform a detailed review of all planning, interim and final work papers as part of our quality control process.</td><td>CPA</td></tr>
<tr><td colspan="4">Ms. Buss is an Audit Senior Manager in Crowe’s Public Sector practice with approximately 27 years of experience providing both advisory and financial statement and compliance audits primarily to the governmental industry. She has provided professional audit services to several large complex government groups in accordance with U.S. GAAP and Government Auditing Standards. Her most significant engagements have included: Texas Department of Transportation, Teacher Retirement System of Texas, Teacher Retirement Investment Company of Texas, Ltd. (TRICOT) and the Texas Office of the Governor (TxOOG), Texas Leverage Fund Program (TLF) as well as Office of the Governor Economic Development and Tourism Office Product Development (PD) and Small Business Incubator Fund (SBI), City of Richardson, City of Cedar Hill, and North Texas Tollway Authority (NTTA).</td></tr>
<tr><td></td><td>Cory Lee<br>Senior manager</td><td>Ms. Lee will serve as a team leader and her responsibilities will include leading and monitoring all stages of the audit, supervising all fieldwork, facilitating communications with the engagement partner, concurring review partner, firm specialists, management, and audit team.</td><td>CPA</td></tr>
<tr><td colspan="4">Ms. Lee is an experienced manager in Crowe’s Austin office; she joined Crowe in September 2016. She has over eight years of experience providing financial statement audits primarily to the governmental, not-for-profit, and construction industries. Ms. Lee has served on the Texas Department of Transportation audit for over six years.</td></tr>
</table>

| Core Team | | Proposed Role on Engagement | License |
|---|---|---|---|
|  | **Ben Levy**<br>Senior Staff | As the engagement senior, Mr. Levy will assist the managers in conducting day-to-day fieldwork of the audit of the City's Annual Comprehensive Financial Report and Single Audit. He will oversee and guide staff on the engagement, as well as communicate status with both client and audit team management. | CPA |
| Mr. Levy provided audit services to several municipalities in Florida before joining Crowe's Dallas/Fort Worth office as an experienced senior staff accountant in June 2022. He has six years of experience providing financial statement audits to the governmental, not-for-profit, and construction industries. Ben has provided professional audit services to large complex government groups, in accordance with U.S. GAAP and Government Auditing Standards as well as audit of municipalities and audits under Uniform Guidance. He has served City of Richardson, North Texas Tollway Authority and Texas Department of Transportation in addition to other municipalities prior to joining Crowe. He also has experience with not-for-profit financial statement audits in accordance with U.S. GAAP. | | | |

## Resumes

We have provided resumes of the individuals listed above in **Appendix A.** The resumes outline education, years of experience, licenses and certifications, professional affiliations, and other relevant experience.

## Staff Continuity

We would like to emphasize our commitment to maintaining professional staff continuity in servicing this engagement. Many of our clients rely on having the same resources available to them because it reflects a commitment to their organization and a deeper understanding of what their organization is trying to achieve. Our staff builds a relationship based upon **integrity, trust, and mutual respect**, which is a primary reason that we maintain long-term professional relationships.

In assigning staff to engagements, we place **high importance on maintaining continuity of staff** from one year to the next. This is important from both a client service as well as an engagement efficiency perspective. As our staff gains familiarity with a client, they can complete the engagement more efficiently and are better able to identify recommendations for improvement within our client's operations.

## Exceptional client experience

Michelle Buss will be your main contact to ensure consistent service and streamlined communication from various teams. She will be your main point of contact for any inquiries. We want to effectively work together to achieve results.

# Cost

Our goal in setting fees is simple: to provide long-term, cost-effective pricing for our clients. We are confident that we can work together to achieve an optimized plan for audit services.

We are committed to collaborating with you to make sure the scope of our proposal is appropriate. While we experience cost increases throughout our relationships with our clients, we make every effort to structure an engagement fee arrangement which will meet your needs while providing us with sufficient resources to perform the expected work.

We will not surprise you with additional fees that have not been agreed to by all parties in advance. If a question results in significant research or additional work or if we are requested to perform a consulting project, such effort is billed separately and would require an agreed upon statement of work. We will provide you with an estimate of fees for such services and obtain management approval before proceeding.

| Audit Services | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|
| Audit of Financial Statements | $60,000 | $61,800 | $63,650 | $65,560 | $67,530 |
| Pension Plan audit | $17,000 | $17,510 | $18,035 | $18,575 | $19,135 |

## Estimated hours and fees by service area

Price quoted is for one year from date of contract. Each of the subsequent years through 2027, a price escalation will be requested based on Corice Index (PPI) not to exceed 8% for any individual year. Price increases will be submitted to the purchasing manager at least 60 days prior to contract expiration.

| Service/Function | Hours | Blended rate | Total fee |
|---|---|---|---|
| Audit | 370 | $162 | $60,000 |
| Pension plan | 80 | $213 | $17,000 |

## Project dependencies

- **NO ADDITIONAL CHARGE**: Routine telephone calls are considered part of the basic services.
- **NO ADDITIONAL CHARGE**: for access to our thought leadership e-communications, webinars and literature.
- **NO ADDITIONAL CHARGE**: for use of our secure information-sharing tool (Exchange) to gather and track audit requests or for additional data analytics tools that we incorporate into our audits.
- We will not surprise you with additional fees that have not been agreed to by all parties in advance. If a question results in significant research or additional work or if we are requested to perform a consulting project, such effort is billed separately. We will provide you with an estimate of fees for such services and obtain management approval before proceeding.
- Fees include professional time for work associated with fieldwork, on-site and off-site performance and documentation of procedures, preparation of written drafts and final reports, and presentation of results at finance and management committee meetings.
- Our fee estimate assumes a risk-based approach to frequency and scope based on our experience with similar organizations. If we need to assess most areas of the organization without rotating scope each year, then we need to re-evaluate our planned scope and related pricing.

- Crowe anticipates providing work papers for examiner/other third-party review at least annually.
- Significant changes in organizational status, operations, or processes not directly associated with asset growth could have a material impact on required engagement coverage. Balance sheet growth is expected, but material change, such as new lines of business, is not anticipated.
- No significant changes in regulatory or client expectations or actions are expected. Should significant change occur, Crowe will assess the impact on our services and fees. All fee adjustments will require approval by all parties in advance.
- Out-of-pocket expenses are included in the estimate.

We ask clients to pay invoices via check, ACH, or wire transfer. Crowe invoices in periodic installments. Our contract with you clarifies that, should a termination occur, you and we would determine any appropriate adjustments to actual fees paid as needed.

# Rate schedule

The rate schedule below describes the range of rates over the course of the contract for any additional work to be performed. Our proposed fee is at a significant discount off our standard rates. For any additional work to be performed, we will continue to offer those rates in most circumstances.

## Rate schedule by staff level

| Personnel by level | Rate Range |
|---|---|
| Partner/Principal/Director | $512 - $635 |
| Senior Manager | $341 - $423 |
| Senior Staff | $146 - $181 |
| Staff | $110 - $136 |

We are committed to working with you to make sure the scope of our proposal is appropriate. While we experience cost increases throughout our relationships with our clients, we make every effort to structure an engagement fee arrangement which will meet your needs while providing us with sufficient resources to perform the expected work.

## Fees for additional services

Professional fees for special projects outside of the agreed-upon scope will be determined based on project factors, such as type of project, subject matter experience required, scope, and resource requirements. Prior to commencing additional services, we will obtain your approval and agreement on the scoping and pricing.

# Appendix A: Resumes

Resumes are provided on the following pages.

**Kevin W. Smith**
CPA – Partner

Kevin.W.Smith@crowe.com
www.crowe.com

## Profile

Mr. Smith is an audit partner in Crowe's Dallas office.

## Professional and Industry Experience

Mr. Smith has more than 32 years of experience providing both advisory and financial statement and compliance audits to local governmental entities receiving federal awards. He is a member of the Governmental Accounting Standards Advisory Committee (GASAC).

## Professional Affiliations

- American Institute of Certified Public Accountants | State and Local Government Expert Panel, Government Accounting and Auditing Conference Planning Committee Member
- Texas CPA Society | Member
- Government Finance Officers Association | Certificate of Excellence Reviewer
- Government Finance Officers Association of Texas | Financial Reporting and Regulatory Compliance Committee, Program Development Committee
- Association of Government Accountants | Member
- The Southwest School of Government | Past Advisory Board Member

## Education & Certifications

- Bachelor of Science, Accounting | 1991
  - East Central University | Ada, Oklahoma
- Certified Public Accountant (CPA)

## Client Focus

**Services:**

- Financial Statements
- Compliance Review
- Internal Audit

**Industries:**

- Public Sector

## Publications and Speaking Engagements

**Publications:**

- "Mitigate Compliance risks Through Best Practices in Grants Management." Smith, Kevin W. and Eric J. Russell. Journal of the National Grants Management Association. Winter 2011, Volume 19, Number 2.

**Speaking Engagements:**

- American Institute of Certified Public Accountants – 2010 through current – Government Accounting and Auditing Conference – "An in-depth review of A-133 Audit Requirements", GASB 67/68 Implementation Issues", "Sub-recipient Monitoring the Auditee and Auditor's Perspective" and "Impact of Economic Downturn on Audits of Local Governments"
- State of Arkansas Department of Finance and Administration – 2012 and 2010 "GAAP Update & ARRA Issues" Little Rock, Arkansas
- Government Finance Officers Association of Texas – April 2012, Austin, TX "Governmental Accounting – 101"
- Southeastern Intergovernmental Audit Forum – September 2011, Ft. Lauderdale, FL "OMB A-133 Update"
- Oklahoma Society of CPA's – June 2014, Oklahoma City "GASB 68"

## Client Listing – Audit

**Municipal**

- City of Arlington
- City of Carrollton
- City of Cedar Hill
- City of Cleburne
- City of Dallas
- City of Denton
- City of Frisco
- City of Midland
- City of Plano
- City of Richardson
- City of San Antonio
- City of University Park
- Dallas County

**Special Districts**

- Dallas Area Rapid Transit
- Dallas Fort Worth International Airport
- Employee Retirement Fund of Dallas
- Houston Housing Finance Corporation
- Houston Metro Transportation Authority
- North Texas Tollway Authority
- The Navajo Nation
- Work Source for Dallas County

**State**

- California State Teachers Retirement System
- State of Arkansas - Statewide CAFR
- State of Arkansas - Division of Legislative Audit
- State of Illinois - Statewide Single Audit – Various Agencies
- Texas Department of Transportation
- Central Texas Turnpike System
- Texas Mobility Fund
- Grand Parkway Transportation Corporation

**Higher Education**

- University of Arkansas for Medical Sciences
- Southern Illinois University

**School Districts**

- Dallas Independent School District
- Houston Independent School District

**Katherine V. Lai**
CPA – CGMA – Partner

www.crowe.com

## Profile

Ms. Lai is a highly accomplished licensed CPA and CGMA public accounting professional of diverse experience derived from providing assurance services to large, complex state and local governmental entities, higher education institutions, school districts, utilities and not-for-profit organizations.

## Professional and Industry Experience

With over 23 years of experience in public accounting, Ms. Lai has led the audits of some of the largest governments in California, including SANDAG, Metropolitan Transportation Commission, Orange County Transportation Authority, Los Angeles County Metropolitan Transportation Authority, Transportation Corridor Agencies, State of California (Single Audit) and City of Los Angeles. Among 400,000 CPA's nationwide, Ms. Lai had been appointed by the AICPA to serve on a select national 15-member State and Local Government Expert Panel. Through her participation with the AICPA, she has been accredited with contributions to authoring the AICPA State and Local Government Audit Guide, including the newest Pension Chapter to address the complex GASB pension standards, compiling AICPA comment letters to GASB on emerging standards and presenting webcasts for the AICPA Governmental Audit Quality Center. Other examples of Ms. Lai's thought leadership include presenting to over 1,000 Californians on the complexities of the Uniform Guidance and pandemic related funding, and emerging GASB pronouncements through her involvement with the California Society of Municipal Finance Officers (CSMFO), National Grants Management Association (NGMA) and tailored client trainings.

## Education & Certifications

- Bachelor of Arts in Economics, emphasis in Accounting
  - University of California, Los Angeles
- Certified Public Accountant (CPA)
- Chartered Global Management Accountant (CGMA)
- License Number – 92761 (California)

## Client Focus

**Services:**

- Audit
- Consulting

**Industries:**

- Public Sector

## Professional Affiliations

- AICPA State and Local Government Expert Panel | Past Member
- California Society of Certified Public Accountants (CalCPA) | Member
- California Society of Municipal Finance Officers (CSMFO) | Member
- Government Finance Officers Association (GFOA) | Member
- National Grant Management Association (NGMA) | Member
- International Society of Filipinos in Finance and Accounting (ISFFA) | Executive Board Member, Founder

**Example Clients:**

- San Francisco International Airport
- Burbank-Glendale-Pasadena Airport Authority
- Clark County Department of Aviation (Harry Reid International Airport)
- John Wayne Airport
- Long Beach Airport
- Long Beach Transportation Company
- San Diego Association of Governments

**Blake A. Burgess**
CPA, CVA – Partner

www.crowe.com

## Profile

Blake has 19 years of experience at Crowe providing professional services to both public and private companies within the manufacturing, distribution and energy industries.

## Professional and Industry Experience

Blake specializes in working with manufacturing, distribution, and energy clients. Specific areas of focus include audit, financial due diligence, valuation advisory services, and securities offerings.

## Professional Affiliations

- Indiana CPA Society
- Illinois CPA Society
- American Institute of Certified Public Accountants
- National Association of Certified Valuation Analysts

## Education & Certifications

- Master of Science, Accounting
- Bachelor of Business, Accounting
  - University of Notre Dame | Notre Dame, Indiana
- Certified Public Accountant (CPA)
- Certified Valuation Analyst (CVA)

## Client Focus

**Services:**

- Audit
- Advisory
- SEC Compliance and Reporting
- Securities Offerings

**Industries:**

- Manufacturing and Distribution
- Energy (Power Generation and Renewable Energy)
- Private Equity

**Michelle Buss**
CPA – Senior Manager

www.crowe.com

## Profile

Ms. Buss is a senior manager in Crowe's Dallas/Fort Worth office; she joined Crowe in July 2011. She has approximately 26 years of experience providing both advisory and financial statement and compliance audits primarily to the governmental and not-for-profit industry.

## Professional and Industry Experience

Ms. Buss has provided professional audit services to several large complex government groups in accordance with U.S. GAAP and Government Auditing Standards. Her audit experience ranges from financial statement audits, single audits, program-specific audits and performance audits. Before joining Crowe, Ms. Buss spent two years as the controller at the City of Burleson. Prior to that, she was a manager with Deloitte LLP.

## Professional Affiliations

- American Institute of Certified Public Accountants
- Government Finance Officers Association | Past Certificate of Excellence Reviewer
- Government Finance Officers Association of Texas
- Texas Society of Certified Public Accountants

## Education & Certifications

- Bachelor of Science, Accounting
  - University of North Texas | Denton, Texas
- Certified Public Accountant (CPA)

## Client Focus

**Services:**

- Financial Statement Audits
- Single Audits
- Program-Specific Audits
- Performance Audits

**Industries:**

- Public Sector
  - Government
  - Transit/Transportation
  - Not-for-Profit

## Community Involvement

- Arlington Independent School District | Financial Futures Committee

## Client Listing – Audit

**Municipal**

- City of Cedar Hill
- City of Cleburne
- City of Frisco
- City of North Las Vegas
- City of Richardson
- City of University Park

**Special Districts**

- Clark County, Nevada
- Dallas County Utility and Reclamation District
- Fort Worth Transportation Authority
- North Texas Municipal Water District
- North Texas Tollway Authority
- Workforce Solutions Greater Dallas

**State**

- State of Arkansas Department of Legislative Audit
- State of Indiana – Uniform Guidance
- Kentucky Housing Corporation – Uniform Guidance
- Texas Department of Transportation
- Central Texas Turnpike System
- Texas Mobility Fund
- Grand Parkway Transportation Corporation (Texas)
- Texas Office of the Governor, Texas Leverage Program and the PDSBI Program
- Teacher Retirement Investment Company of Texas, Ltd.

**Cory Lee**
CPA - Audit Manager

www.crowe.com

## Profile

Ms. Lee is an experienced Manager in Crowe's Austin office. She has over eight years of experience providing financial statement audits primarily to the governmental, not-for-profit, and construction industries.

## Professional and Industry Experience

Ms. Lee has provided professional audit services to several large complex government groups, in accordance with U.S. GAAP and Government Auditing Standards, as well as several construction companies, in accordance with U.S. GAAP. Her experience also includes financial statement audits and compilation, single audits, benefit plan audits and financial statement reviews.

## Education & Certifications

- Bachelor of Business Administration in Accounting
  - Texas Woman's University | Denton, Texas
- Bachelor of Business Administration in Finance
  - Texas Woman's University | Denton, Texas
- Bachelor of Business Administration in Management
  - Texas Woman's University | Denton, Texas
- Master of Business Administration
  University of Arlington | Arlington, Texas
- Certified Public Accountant, CPA

## Client Focus

**Services:**

- Financial Statement Audit
- Single Audits

**Industries:**

- Public Sector
  - Government
  - Not-for-Profit
  - Transit/Transportation
- Construction and Architecture

## Client Listing

**State**
- Texas Department of Transportation
- Central Texas Turnpike System
- Texas Mobility Fund
- Grand Parkway Transportation Corporation

**Special Districts**
- Workforce Solutions of Greater Dallas

**Municipal**
- City of Cedar Hill
- City of University Park

**Construction & Architecture**
- APAC Kansas
- APAC Mississippi
- HKS, Inc.
- MidSouth Paving
- Northstar Builders Group
- OMG Midwest
- Preferred Materials

**Employee Benefit Plans**
- Central National Bank
- Society of Petroleum Engineers
- SUN Behavioral Health

**Benjamin Levy**
CPA – Senior Associate

www.crowe.com

## Profile

Mr. Levy provided audit services to several municipalities in Florida before joining Crowe's Dallas/Fort Worth office as an experienced senior staff accountant in June 2022. He has six years of experience providing financial statement audits to the governmental, not-for-profit, and construction industries. Ben is licensed to practice in the state of Texas.

## Professional and Industry Experience

Mr. Levy has provided professional audit services to large complex government groups, in accordance with U.S. GAAP and Government Auditing Standards as well as audit of municipalities and audits under Uniform Guidance. He also has experience with not-for-profit financial statement audits in accordance with U.S. GAAP.

## Education & Certifications

- Master of Accounting
  - Florida Atlantic University | Boca Raton, Florida
- Bachelor of Business Administration in Accounting
  - Florida Atlantic University | Boca Raton, Florida
- Master of Science in Neuroscience
  - Tulane University | New Orleans, Louisiana
- Bachelor of Arts in Psychology
  - University of Texas at Austin | Austin, Texas
- Certified Public Accountant, CPA

## Client Focus

**Services:**

- Financial Statement Audit
- Single Audits

**Industries:**

- Public Sector
- Government
- Not-for-Profit
- Construction and Architecture

## Client Listing

**Municipal**
- City of Cedar Hill, TX
- City of Richardson, TX
- City of Bloomington, IN

**Construction & Architecture**
- HKS, Inc.
- Spring Valley Construction Company
- Critical Project Services, LLC

**State**
- Texas Department of Transportation
- Kentucky Housing Corporation

**Benefit Plans**
- South Carolina Deferred Compensation Program
- South Carolina Retirement Systems
- Teacher Retirement System of Texas, TRICOT

**Special Districts**
- North Texas Municipal Water District
- North Texas Tollway Authority

# Appendix B: Firm information

Crowe is a leading accounting and professional services firm.

Founded in **1942** in **SOUTH BEND, INDIANA**

Independent member of the Crowe Global network, which ranks as the **9th LARGEST** international accounting network[1]

Ranks **12th** for **ACCOUNTING TODAY'S TOP FIRMS** (2024)

**$1.3B** in **REVENUE** in FY24[2]

**37 U.S. OFFICES**

**6,700+ PERSONNEL**

Crowe serves **15,827 PUBLICLY AND PRIVATELY OWNED CLIENTS** in **73 COUNTRIES**

[1] International Accounting Bulletin, 2024, based on market share and fee data

[2] Financial statistics will be updated quarterly unless market or event dictates otherwise; last updated July 2024

## Independence and objectivity

We are not aware of any relationships that would be in violation of applicable professional standards.

As a firm of certified public accountants, Crowe has policies and procedures to provide reasonable assurance that professional personnel maintain independence, integrity, and objectivity required under professional standards. A dedicated unit within Crowe, the ethics and independence group within the firm's national office, is responsible for managing and communicating independence and ethics guidance and firm protocol.

Independence precludes relationships that might in fact or appearance impair objectivity in performing audit and other attest services. Integrity requires personnel to be honest and candid within the constraints of client confidentiality. Service and the public trust are not to be subordinated to personal gain or advantage. Objectivity is a state of mind and a quality that lends value to a firm's services. The principle of objectivity imposes the obligation to be impartial, intellectually honest, and free of conflicts of interest.

A Crowe individual must consciously refuse to subordinate his or her judgment to that of others and must avoid relationships that may impair objectivity or influence judgment. The Crowe policy is that all personnel must be in fact and appearance independent in attitude, in the conduct of work performed, and in relationships with clients, as required by applicable professional standards.

## Education and professional development

At Crowe, a career is a continual learning experience. Crowe University, our firm's learning portal, helps our people pursue learning experiences that create opportunities to build deep specialization and leadership skills. Full-time professionals can take advantage of its online learning courses, webinars, and other resources.

Crowe University is organized on a university model, with colleges and departments providing specialized curriculum. It houses curriculum maps designed to enhance technical knowledge and professional skills in areas such as project management, people development, leadership, and interpersonal skills. Learning is fundamental at Crowe, so our personnel have access to the training they need to grow and develop, regardless of their career stage or role.

## Employee satisfaction

Crowe has been ranked among the best places to work in many of our geographic markets. Crowe also conducts a quarterly engagement pulse survey to gather feedback for firm leadership and to continuously improve our talent programs.

During the past three years, Crowe has experienced an average voluntary turnover rate of less than 14 percent. Our staff continuity enables us to develop and maintain an in-depth understanding of your operations, management style, and operating practices, which will allow us to serve your organization more effectively over time.

Additionally, our culture stresses the importance of partner presence throughout projects and engagements. Active, personal involvement by partners, managers, and other experienced professionals is key to a successful client relationship.