



REQUEST FOR QUALIFICATIONS FOR ANNUAL FINANCIAL AUDIT SERVICES

The Harris-Galveston Subsidence District and the Fort Bend Subsidence District (the Districts) are soliciting proposals for providing annual financial auditing services to both Districts. The selected accounting firm will provide independent professional services to perform the audit services described in the Scope of Work section of this document. All responses must be in accordance with the terms, conditions, and instructions as set forth in this Request for Qualifications. It is the Districts intent to retain the successfully chosen firm to perform the annual financial audit for the year ending December 31, 2026, with an option to renew the contract, on an annual basis, for up to five additional years.

Historically, both Districts have utilized a single accounting firm to perform the annual financial audit. An interlocal agreement exists between the Districts for all administrative services, including financial accounting, related to the Fort Bend Subsidence District to be conducted by the Harris-Galveston Subsidence District. In addition, each District will be billed separately for audit fees incurred, respectively.

General Information

The Harris-Galveston Subsidence District was created as a special purpose district in 1975 by the Texas Legislature under H.B. 552 (64th Session), which is now codified under Chapter 8801 of the Texas Special District Local Laws Code, for the purpose of regulating groundwater withdrawal and ending land surface elevation subsidence in Harris and Galveston Counties. The District's enabling legislation and regulatory plan, along with the 2025 annual financial report, are available on the District's website at www.hgsubsidence.org.

The Fort Bend Subsidence District was created in 1989 by the Texas Legislature as a conservation and reclamation district, with a mission to regulate groundwater withdrawals to prevent land subsidence in Fort Bend County. The District's enabling legislation, under Chapter 8834 of the Texas Special District Local Laws Code, regulatory plan, and 2025 annual financial report are available on the District's website at www.fbsubsidence.org.

The Districts operate on a calendar year, and their respective financial statements include three funds: the General Fund, the Water Conservation Program, and the Science & Research. The General Fund operates on a budget approved each year by the Board of Directors and accounts for all general operating revenues and expenditures.

The Water Conservation Program Fund is used to account for an award-winning Water Conservation Program that includes a school program, grant program, and water conservation platforms and tools to further reduce reliance on groundwater and improve water efficiency.



The Science & Research Fund is used to account for science and research efforts required beyond the normal operation and maintenance data collection funded through the General Fund. The science and research effort is funded with disincentive fee revenue.

The District requires that the audit be completed in a timely manner, allowing the audited financial statements to be presented to the Board of Directors at the May board meeting for both Districts.

Scope of Work

The District is seeking the services of a professional consultant to conduct an audit of the District's financial statements to ensure that policies and procedures are in place to reasonably assure that the financial status of the District is accurately reported free from error and misstatement. The audit services to be performed will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits set forth in Governmental Auditing Standards.

The audit should contain, at a minimum, an examination of the District's financial records, on a test basis, independent evidence supporting the amounts and disclosures in the financial statements. Also, the audit should include an assessment of the accounting principles and the presentation of financial statements in place, as well as the significant estimates made by management.

Audit Requirements

The District's Director of Finance will prepare the annual financial reports for both Districts, including the Management's Discussion and Analysis, Government-wide and Fund financial Statements, Notes to the Financial Statements, and Required Supplementary Information; however, the selected accounting firm conducting the financial audit will provide copies of the report, which includes the Independent Auditors' Report expressing an opinion on the financial statements. Twenty-five (25) hard copies of the report will be required for both the Harris-Galveston Subsidence District and the Fort Bend Subsidence District.

The audit shall be made in accordance with Generally Accepted Auditing Standards as prescribed by the American Institute of Certified Public Accountants (AICPA), the Governmental Accounting Standards Board (GASB), and in accordance with the Government Accountability Office (GAO), and Statements of Auditing Standards (SAS) shall be adhered to and performed accordingly by the selected audit firm solely by the firm's staff and its personnel inclusive within the scope of the audit time. The selected audit firm shall review its written audit program with the District, identifying the plan for testing transactions, records, and sampling procedures, the method for evaluating internal controls, and the planned audit procedures, including a client-provided information request, prior to performing detailed audit work.

Qualifications of Audit Firm

The proposing audit firms shall submit a statement of their qualifications with the firm's proposal for audit services. The statement shall include the following:

- Whether the firm is a national, regional, or local accounting firm licensed to practice public accounting in the state of Texas.
- Whether the firm, or any member of the firm, has been subjected to any type of disciplinary action of the Texas State Board of Public Accountancy and/or any other licensing board during the past three years.
- Identify the professional qualifications of the partners, key personnel, and the engagement team to be assigned to the audit. Prior supervisory audit experience in municipal, special districts, or governments should be highlighted. A list of related municipalities the firm audits, or has audited, including the number of years the firm provided audit services, and the names and telephone numbers of contact persons of those auditees.
- Provide a copy of the firm's most recent peer review report and any letter of comment, and any subsequent related reports and letters of comment received since then.
- Provide a brief discussion of the firm's basic approach to planning, performance, and conclusion of audit procedures including the final presentation to the Board of Directors.

Selection Criteria

The District will select the best-qualified public accounting firm to perform the audit of the annual financial statements for both the Harris-Galveston Subsidence District and the Fort Bend Subsidence District. The firm selected must have previous experience in performing audits of municipal, special districts and/or governments. The evaluation criteria will include assessment of the following factors:

- Years of experience of the firm and audit team in performing audits of municipal, special districts and/or governments.
- Qualifications of personnel to be assigned as engagement partner, manager, and other members of the audit team.
- Knowledge of the reporting requirements as well as the basic concepts and conventions underlying local government accounting and financial reporting principles.
- The overall satisfaction of other auditees with the firm's services.

Dates for Completion of Audit and Submission of Annual Financial Reports

The primary contact for audit coordination will be with the Finance Director of the Harris-Galveston Subsidence District. The accounting firm selected for audit services will meet with the Finance Director to agree on the time frame for completing the audit services for both Districts, as outlined in the audit engagement letters.

Time Frame for Response to Request for Qualifications

Proposals shall be submitted electronically via email to dnewcomb@subsidence.org with the subject line “Audit Services RFQ” **before 4:00 PM on Friday, December 4, 2026**. Responses received after the submission deadline will not be considered.

The District staff will then review submissions and may request additional information related to audit services. The Director of Finance and General Manager may conduct either a conference call or an on-site meeting with prospective accounting firms prior to the final selection and award of audit services.

For additional information or questions, please contact Daniel Newcomb, Finance Director, at 281-956-2181 or via email at dnewcomb@subsidence.org.