



TO: SOUTHERN NEVADA DISTRICT BOARD OF HEALTH **DATE:** April 27, 2023

RE: *Approval of agreement between the Southern Nevada Health District and Forvis, LLP*

PETITION #25-23

That the Southern Nevada District Board of Health *approves Agreement between the Southern Nevada Health District and Forvis LLP.*

PETITIONERS:

Donnie (DJ) Whitaker, CPA, Chief Financial Officer *DW*

Fermin Leguen MD, MPH, District Health Officer *FL*

DISCUSSION:

The Southern Nevada Health District is subject to the single audit requirement because it is the recipient of over \$750,000 in federally awarded grant funding. A three-year contract with the option of two additional one-year extensions had been previously competitively awarded to Eide Bailly, LLP to perform the mandatory audit. The requirement for the audit for fiscal year 2023 (effective April 2023 - April 2024) with the option for four additional one-year extensions was competitively bid. The requirement was advertised. Two proposals were received: Eide Bailly LLP and Forvis, LLP. Based on evaluation of proposals, per the solicitation, Forvis LLP was selected as the firm to perform the annual audit requirement. We hereby propose the Southern Nevada District Board of Health approve the selection of Forvis, LLP as independent auditor of the Health District.

FUNDING:

Year One: \$124,000
Year Two: \$126,000
Year Three: \$130,000
Year Four: \$135,000
Year Five: \$141,000



**PROFESSIONAL SERVICES AGREEMENT
FOR FINANCIAL AUDITING SERVICES
BETWEEN
SOUTHERN NEVADA HEALTH DISTRICT
AND
FORVIS LLP
C2300113**

THIS PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL AUDITING SERVICES (“Agreement”) is made by and between the Southern Nevada Health District (“Health District”) and FORVIS, LLP (“Consultant”) (individually “Party” and collectively “Parties”).

WHEREAS, pursuant to Nevada Revised Statutes (“NRS”) Chapter 439, Health District is the public health authority for Clark County, Nevada with jurisdiction over all public health matters therein;

WHEREAS, Health District is in need of certain professional financial and audit consulting Services (“Services”);

WHEREAS, Pursuant to Consultant’s February 13, 2023 Response to Health District’s Request for Proposal 23RFP004, Consultant represents its willingness to provide such Services and that it possesses the professional and technical expertise, and the personnel necessary to perform local government financial audits, and its personnel have sufficient expertise, knowledge, skill, and experience to provide such Services; and

WHEREAS, Consultant is willing to provide professional Services in accordance with the terms hereinafter provided.

NOW, THEREFORE in consideration of the mutual promises and covenants herein exchanged, and for other good and valuable consideration, the Parties agree as follows:

1. **TERM, TERMINATION, AND AMENDMENT.** This Agreement shall be effective from April 27, 2023 through April 26, 2024, unless sooner terminated by either Party as set forth in this Agreement. This Agreement may be extended for four (4) additional one-year terms upon mutual agreement of both Parties.
 - 1.01 This Agreement may be terminated by mutual consent of both Parties or unilaterally by either Party with or without cause.
 - 1.02 This Agreement may be terminated by either Party prior to the date set forth in paragraph 1, provided that a termination shall not be effective until thirty (30) days after a Party has served written notice upon the other Party.
 - 1.03 Upon termination, Consultant will be entitled to payment for Services actually provided prior to date of termination and for which Consultant has submitted

an invoice but has not been paid. Final payment is contingent upon submission of all work to-date and the return of all Health District documents, data, and any other materials provided or received in furtherance of this Agreement; the Consultant, however, may keep a copy of any Health District records needed to determine its legal obligations and comply with professional obligations, and will not be required to destroy or return Confidential Information contained in archival computer backups maintained as part of its reasonable IT policy.

- 1.04 This Agreement is subject to the availability of funding and shall be terminated immediately if for any reason State and/or Federal funding ability, or private grant funding ability, budgeted to satisfy this Agreement is withdrawn, limited, or impaired.
- 1.05 This Agreement may only be amended, modified or supplemented by a writing signed by a duly authorized agent/officer of each Party and effective as of the date stipulated therein.

- 2) INCORPORATED DOCUMENTS. The Services to be performed and the consideration therefore shall be specifically described in the attachments to this Agreement, which are incorporated into and are specifically a part of this Agreement, as follows:

ATTACHMENT A: SCOPE OF WORK

ATTACHMENT B: PAYMENT

ATTACHMENT C: HEALTH DISTRICT RESPONSIBILITIES

ATTACHMENT D: BUSINESS ASSOCIATE AGREEMENT

ATTACHMENT E: FORVIS LLP Proposal for Professional Auditing Services
dated February 13, 2023

- 3) SERVICES/STANDARD OF PERFORMANCE. The scope of work for this Agreement is generally defined as audit Services. Consultant shall complete the Services in the Scope of Work outlined in Attachment A. Consultant shall perform its Services with the degree of skill, care, and diligence in accordance with the applicable professional standards currently recognized by such profession and observed by national firms performing the same or similar Services.

- 3.01 Consultant has, or will recruit and retain, such employees as it may need to perform the Services required by this Agreement. Consultant shall perform the Services in compliance with all applicable federal, state, and local laws, statutes, regulations, and industry standards. Consultant shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all reports furnished under this Agreement.
- 3.02 Consultant shall appoint a Manager, upon written acceptance by Health District, who will manage the performance of Services hereunder. All Services specified by this Agreement shall be performed by the Manager, or by Consultant's employees under the personal supervision of the Manager. Should the Manager, or any employee of Consultant be unable to complete his or her

responsibility for any reason, Consultant must obtain written approval by Health District prior to replacing him or her with another equally qualified person. If Consultant fails to make a required replacement within 30 days, Health District may terminate this Agreement for default.

3.03 If Consultant fails to meet applicable professional standards, Consultant shall, without additional compensation, correct or revise any errors or deficiencies in its reports.

4) STATUS OF PARTIES; INDEPENDENT CONTRACTOR. The Parties are associated with each other only for the purposes and to the extent set forth in this Agreement and in respect to the performance of Services pursuant to this Agreement. In the performance of such Services, Consultant and any person employed by or contracted with Consultant shall at all times act as and be an independent contractor, and not an employee or agent of Health District. Further, it is expressly understood and agreed by the Parties that nothing contained in this Agreement will be construed to create a joint venture, partnership, association, or other affiliation or like relationship between the Parties.

4.01 Consultant has and shall retain the right to exercise full control over the employment, direction, compensation, and discharge of all persons employed by Consultant in the performance of the Services hereunder. Consultant shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, demands, and regulations of any nature whatsoever.

5) SUBCONTRACTING. Except as expressly stated herein, without Health District's prior written approval, Consultant shall not subcontract any portion of the Services required by this Agreement. Subcontracts, if any, shall contain a provision making them subject to all provisions in this Agreement.

6) KEY PERSONNEL. Health District's Chief Financial Officer is designated as Health District's liaison and manager of this Agreement and be the single point-of-contact for resolution of Agreement related issues.

7) NON-EXCLUSIVITY. This Agreement is non-exclusive, and both Parties remain free to enter into similar agreements with third parties. During the term of this Agreement, Consultant may perform Services for any other clients, persons, or companies as Consultant sees fit, so long as the performance of such Services does not interfere with Consultant's performance of obligations under this Agreement, and do not, in the opinion of Health District, create a conflict of interest.

8) THIRD PARTY BENEFICIARIES. This Agreement and attachments hereto, are not intended to and do not confer any rights to any person or entity not a party hereto.

9) AUDITS. Consultant will permit Health District to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, Consultant's records pertaining to matters covered by this Agreement. Consultant further agrees to maintain and retain

such records for at least three (3) years, and for five (5) years if any federal funds are used, after the expiration or earlier termination of this Agreement.

10) BOOKS AND RECORDS.

10.01 Each Party shall keep and maintain under generally accepted accounting principles full, true and complete books, records, and documents as are necessary to fully disclose to the other Party, properly empowered government entities, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with the terms of this Agreement and any applicable statutes and regulations. All such books, records and documents shall be retained by each Party for a minimum of three (3) years, and for five (5) years if any federal funds are used pursuant to this Agreement, from the date of termination of this Agreement. This retention time shall be extended when an audit is scheduled or in progress for a period of time reasonably necessary to complete said audit and/or to complete any administrative and judicial litigation which may ensue.

10.02 Health District shall, at all reasonable times, have access to Consultant's records, calculations, presentations, and reports for inspection and reproduction.

11) HIPAA/CONFIDENTIALITY.

11.01 To comply with the Health Insurance Portability and Accountability Act of 1996 as it may be amended from time to time and the Health Information Technology for Economic and Clinical Health Act, to protect the security, confidentiality, and integrity of Protected Health Information, the Parties will execute a Business Associate Agreement, attached hereto as Attachment D and expressly incorporated by reference herein.

11.02 Consistent with state and federal privacy laws, Contractor will at all times have in place procedures to ensure the privacy and maintain the confidentiality of any personal, confidential, or otherwise sensitive information received. Contractor shall exercise at least the same degree of care as it uses with its own personal, confidential, or otherwise sensitive Information, but in no event less than reasonable care. Consistent with state and federal privacy laws, Consultant will at all times have in place procedures to ensure the privacy and maintain the confidentiality of any Health District information with at least the same degree of care as it maintains the confidentiality of its own confidential information of like importance.

11.03 No such confidential information will be released to any third party without Health District's prior written consent.

12) BREACH; REMEDIES. Failure of either Party to perform any obligation of this Agreement shall be deemed a breach. Except as otherwise provided for by law or this Agreement, the rights and remedies of the Parties shall not be exclusive and are in addition to any other

rights and remedies provided by law or equity, including but not limited to actual damages, and to a prevailing Party, reasonable attorneys' fees and costs.

- 13) WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Agreement or its material or nonmaterial terms by either Party shall not operate as a waiver by such Party of any of its rights or remedies as to any other breach.
- 14) LIMITED LIABILITY. Health District will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. To the extent applicable, actual agreement damages for any breach shall be limited by NRS 353.260 and NRS 354.626. Agreement liability of the Parties shall not be subject to punitive damages. Health District agrees that Consultant's liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by Health District for services rendered under this contract. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the intentional or willful misconduct of Consultant or if enforcement of this provision is disallowed by applicable law or professional standards.
- 15) FORCE MAJEURE. Neither Party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event, the intervening cause must not be through the fault of the Party asserting such an excuse, and the excused Party is obligated to promptly perform in accordance with the terms of the Agreement after the intervening cause ceases.
- 16) INDEMNIFICATION. Health District cannot and by this Agreement does not agree to indemnify, hold harmless, exonerate or assume the defense of Consultant or any other person or entity whatsoever for any purpose whatsoever. To the extent caused by Consultant's negligence or willful misconduct, Consultant shall indemnify and hold harmless Health District, its board members, officers, agents, and employees from any and all claims, demands, suits, actions or proceedings of any kind or nature whatsoever, including workers' compensation claims asserted by third parties against Health District and which result from the services performed by Consultant pursuant to this Agreement.
- 17) COMPLIANCE WITH LAWS. Consultant shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the provision and performance of the Services or those engaged to perform Services under this Agreement.
- 18) INSURANCE. Consultant at its sole cost and expense agrees to obtain and maintain in full force and effect during the term of this Agreement, insurance in commercially reasonable amounts calculated to protect itself and Health District from any and all claims of any kind or nature for damage to property or personal injury, including death, made by anyone, that may arise from activities performed or facilitated by this Agreement, whether these activities are performed by Consultant or anyone directly or indirectly engaged or employed by Consultant.

- 19) MUTUAL COOPERATION. The Parties agree to cooperate fully in furtherance of this Agreement and provide assistance to one another in the investigation and resolution of any complaints, claims, actions or proceedings that may arise out of the provision of Services hereunder.

19.01 The Parties shall take any additional acts or sign any additional documents as is reasonably necessary, appropriate, or convenient to achieve the purposes of this Agreement.

- 20) NON-DISCRIMINATION. As Equal Opportunity Employers, the Parties have an ongoing commitment to hire, develop, recruit and assign the best and most qualified individuals possible. The Parties employ employees without regard to race, sex, color, religion, age, ancestry, national origin, marital status, status as a disabled veteran, or veteran of the Vietnam era, disability sexual orientation or gender identity or expression. The Parties likewise agree that each will comply with all state and federal employment discrimination statutes, including but not limited to Title VII and the American with Disabilities Act.

Consultant will comply with all state and federal employment discrimination statutes, including but not limited to Title VII and the American with Disabilities Act. Consultant acknowledges that Health District has an obligation to ensure that public funds are not used to subsidize private discrimination. Consultant recognizes that if it or its subcontractors are found guilty by an appropriate authority of refusing to hire or do business with an individual or company due to reasons of race, color, religion, sex, sexual orientation, gender identity or gender expression, age, disability, national origin, or any other protected status, Health District may declare Consultant in breach hereof, terminate the Agreement, and designate Consultant as non-responsible.

- 21) STATEMENT OF ELIGIBILITY. Consultant acknowledges to the best of its knowledge, information, and belief, and to the extent required by law, neither Consultant nor any of its employees/contractors is/are: i) currently excluded, debarred, suspended, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs; and ii) has/have not been convicted of a federal or state offense that falls within the ambit of 42 USC 1320a-7(a).
- 22) CERTIFICATION, RESTRICTION OF BOYCOTT OF ISRAEL. Pursuant to NRS 332.065, Consultant certifies that it is not currently engaged in, and agrees for the duration of the Agreement not to engage in, a boycott of Israel.
- 23) SEVERABILITY. If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.
- 24) ASSIGNMENT. Neither Party shall assign, transfer or delegate any rights, obligations or duties under this Agreement without the prior written consent of the other Party.
- 25) PUBLIC RECORDS. Pursuant to NRS Chapter 239, information or documents, including this

Agreement, and any other documents generated incidental thereto may be opened by Health District to public inspection and copying. Health District will have a duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.

- 26) PROPER AUTHORITY. The Parties hereto represent and warrant that the person executing this Agreement on behalf of each Party has full power and authority to enter into this Agreement and that the Parties are authorized by law to perform the Services set forth in the documents incorporated herein.
- 27) ENTIRE AGREEMENT. This Agreement and attachments hereto constitute the entire Agreement between the Parties and supersedes any prior contracts or agreements between the Parties regarding the subject matter hereof.
- 28) TIME. Consultant agrees that time is of the essence in this Agreement.
- 29) GOVERNING LAW. This Agreement and the rights and obligations of the Parties hereto shall be governed by, and construed according to the laws of the State of Nevada, with Clark County, Nevada as the exclusive venue of any action or proceeding related to or arising out of this Agreement.
- 30) NOTICES. All notices permitted or required under this Agreement shall be made by personal delivery, overnight delivery, or via U.S. certified mail, return receipt requested, to the other Party at its address as set forth below:

Southern Nevada Health District
Contract Administrator, Legal Department
280 S. Decatur Blvd.
Las Vegas, NV 89127

FORVIS, LLP
Christopher Jones, CPA
Partner
77 West University Avenue
Mesa, AZ 85201

- 31) COUNTERPARTS. This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement.
- 32) ADDITIONAL TERMS.
 - 32.01 **Disclaimer of Legal or Investment Advice**. Consultant's services do not constitute legal or investment advice.
 - 32.02 **Maintenance of Records**. Health District agrees to assume full responsibility for maintaining its original data and records and that Consultant has no responsibility to maintain this information. Health District will not rely on Consultant to provide hosting, electronic security, or backup services, *e.g.*, business continuity or disaster recovery services, to Health District unless separately engaged to do so. Health District's access to data, records, and information from Consultant's servers, *i.e.*, portals used to exchange information, can be terminated at any time and Health District will not rely on using this to host its data and records.

- 32.03 **Workpapers.** Consultant's workpapers and documentation retained in any form of media for this engagement are the property of Consultant. Consultant can be compelled to provide information under legal process. In addition, Consultant may be requested by regulatory or enforcement bodies (including any State Board) to make certain workpapers available to them pursuant to authority granted by law or regulation. Unless Consultant is prohibited from doing so by law or regulation, Consultant will inform Health District of any such legal process or request. Health District agrees Consultant has no legal responsibility to Health District in the event Consultant determines it is obligated to provide such documents or information.
- 32.04 **Use of Deliverables and Drafts.** Health District agrees it will not modify any deliverables or drafts prepared by Consultant for internal use or for distribution to third parties. Health District also understands that Consultant may on occasion send documents marked as draft and understands that those are for Health District's review purpose only, should not be distributed in any way, and should be destroyed as soon as possible, to the extent allowed by Health District's records retention schedule.
- a) Consultant's report on any financial statements must be associated only with the financial statements that were the subject of this Agreement. Health District may make copies of Consultant's report, but only if the entire financial statements (exactly as attached to Consultant's report, including related footnotes) and any supplementary information, as appropriate, are reproduced and distributed with Consultant's report. Health District agrees not to reproduce or associate Consultant's report with any other financial statements, or portions thereof, that are not the subject of this Agreement.
- 32.05 **Offering Document.** Health District may wish to include Consultant's report(s) on financial statements in an exempt offering document. Health District agrees that any report, including any auditor's report, or reference to Consultant's firm, will not be included in any such offering document without notifying Consultant. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.
- a) Any exempt offering document issued by Health District with which Consultant is not involved will clearly indicate that Consultant is not involved by including a disclosure such as, "FORVIS, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this offering document."
- 32.06 **Consultant Not a Municipal Advisor.** Consultant is not acting as Health District's municipal advisor under Section 15B of the Securities Exchange Act of 1934, as

amended. As such, Consultant is not recommending any action to Health District and does not owe Health District a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. Health District should discuss such matters with internal or external advisors and experts Health District deems appropriate before acting on any such information or material provided by Consultant.

32.07 **Consultant Not a Fiduciary.** In providing attest services, Consultant is required by law and its professional standards to maintain independence from Health District. As such, Health District should not place upon Consultant special confidence that in the performance of these attest services Consultant will act solely in Health District's interest. Therefore, Health District acknowledges and agrees Consultant is not in a fiduciary relationship with Health District and Consultant has no fiduciary responsibilities to Health District in the performance of Consultant's services described herein.

32.08 **Use of Consultant Name.** Any time Health District intends to reference Consultant's firm name in any manner in any Health District created and published materials, including on an electronic site, Health District agrees to provide Consultant with draft materials for review and approval before publishing or posting such information. As Health District is a public agency, Consultant is aware that Consultant's final audit reports will be posted and agendized in compliance with Nevada Open Meeting Law; therefore, Consultant consents to this use without further review.

[SIGNATURE PAGE TO FOLLOW]

BY SIGNING BELOW, the Parties agree that they have read, understood, and agreed to the conditions set forth above and have caused their duly authorized representatives to execute this Agreement.

SOUTHERN NEVADA HEALTH DISTRICT

FORVIS, LLP

By: _____
Fermin Leguen, MD, MPH
District Health Officer

By: _____
Christopher Jones, CPA
Partner

Date: _____

Date: _____

Approved as to form:

**This document is approved as to form.
Signatures to be affixed subject to approval by
Southern Nevada District Board of Health.**

Heather Anderson-Fintak, Esq.
General Counsel
Southern Nevada Health District

ATTACHMENT A SCOPE OF WORK

A. Audit

- A.1 Consultant will plan and perform audit in accordance with generally accepted accounting principles; auditing standards generally accepted in the United State of America (“GAAS”) as set forth by the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), as well as the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 and 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
- A.2 Consultant is to provide an “in-relation-to” report on the supporting schedules to the Annual Comprehensive Financial Report (“ACFR”) based upon the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statement and schedules. Consultant shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. The report shall express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles and Consultant shall also express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles.

B. Work Plan

Consultant will perform the annual audit based on the following work plan:

- B.1 Planning: Consultant will gain an understanding of Health District, to include systems, internal controls, operating environment, key personnel, and other relevant information. Consultant will hold an entrance conference with key Health District personnel to formalize a timeline, determine key contacts and review general plan for the audit.

Consultant will gain understanding of Health District through a variety of techniques, including reviewing Health District’s written policies and procedures for significant audit areas, interviewing key personnel, reviewing interim financial statements and budget documents as well as Health District’s website and other literature to gain an understanding of Health District’s structure, and identify significant or unusual variances from the prior year.

Consultant will develop a detailed audit plan along with a list of schedules to be prepared by Health District personnel.

- B.2 Interim Fieldwork: Consultant will review and test the internal control system, transactions, balances, compliance requirements, review board minutes and review agreements entered into during the current year. Consultant will also perform some preliminary substantive procedures and major program determination of single audit programs with initial testing of programs, significant audit estimates and assumptions. Consultant will hold a progress conference with key Financial Services personnel to discuss year-end fieldwork to be performed.
- B.3 Final Fieldwork: Consultant will perform substantive testing of financial statements, including confirming certain accounts and transactions, comparing selected transactions to source documents, analyzing account balances, making inquiries of management and others, and conducting an analytical review of various account balances and the financial statements in accordance with the schedule provided in the FORVIS LLP Proposal for professional auditing services dated February 13, 2023. Consultant will continually reevaluate risk factors identified during the Planning Stage.

C. Reporting

- C.1 Consultant is to provide an “in-relation-to” report on the schedule of federal financial assistance based on the auditing procedures applied during the audit of the financial statements. This information should be in accordance to Governmental Auditing Standards and the OMB Uniform Guidance. Consultant is to provide an opinion of the fair presentation of this schedule in relation to the general purpose financial statements taken as a whole.
- C.2 In the required reports on internal controls, Consultant shall communicate any reportable conditions found during the audit to the Chief Financial Officer. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.
- C.3 Non-reportable conditions discovered by Consultant shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls. The report on compliance shall include all instances of noncompliance.
- C.4 Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the District Health Officer and/or Chief Financial Officer.

D. ACFR

- D.1 Following the completion of the audit of the fiscal year’s financial statements, Consultant shall issue the ACFR and all reports currently required by State and Federal grantors and by such as the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the Government Finance Officers

Association of the United States and Canada, and any other regulatory agencies. Consultant shall likewise issue any other reports subsequently required by these or similar entities following completion of the financial or single audit.

D.2 Health District may send its ACFR to the Government Finance Officers Association of the United States and Canada for review and consideration of the Certificate of Achievement for Excellence in Financial Reporting program. Consultant will provide special assistance to Health District to meet the requirements of the program.

D.3 Consultant shall ensure that Health District's governing body, the Southern Nevada District Board of Health ("Board of Health"), is informed of each of the following and any other item as required by the regulatory agencies as noted above:

- a. Consultant's responsibility under generally accepted auditing standards and government auditing standards.
- b. Significant accounting policies.
- c. Management judgments and accounting estimates.
- d. Significant audit adjustments.
- e. Other information in documents containing audited financial statements.
- f. Disagreements with management.
- g. Management consultation with other accountants.
- h. Major issues discussed with management prior to retention.
- i. Difficulties encountered in performing the audit.

D.4 All working papers and reports must be retained for a period of at least five (5) years after the fiscal year end. Consultant shall make available all original working papers for examination by authorized representatives of Federal and State agencies, Health District's Chief Financial Officer, and any other entity to which access has been granted in writing by Health District's Chief Financial Officer.

D.5 Consultant shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing financial significance.

E. Presenting to the Southern Nevada District Board of Health:

E.1 Consultant will present audit report(s), management letter, and required communications to the Southern Nevada District Board of Health at its scheduled November public meeting each year for the term of the Agreement. Comments will address significant accounting policies, management's judgments and estimates related to the financial statements, and other items related to the conduct of the audit. In addition, if audit procedures disclose the existence of reportable conditions or other matters that need to be communicated to the Board of Health, Consultant will address

these items.

F. Limitations and Fraud.

- F.1 Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS will always detect a material misstatement or material noncompliance with federal award programs when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. Consultant's responsibility as auditor is limited to the period covered by each audit and does not extend to any later periods for which Consultant is not engaged as auditors.
- F.2 The risk of not detecting a material misstatement or material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.
- F.3 Consultant's understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of Health District's internal control. However, Consultant will communicate in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that Consultant may identify during the audit.
- F.4 Consultant is available to perform additional procedures with regard to fraud detection and prevention at Health District's request, subject to completion of normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate contract to be signed by Health District and Consultant.

G. Opinion.

- G.1 Circumstances may arise in which Consultant's report may differ from its expected form and content based on the results of Consultant's audit. Depending on the nature of these circumstances, it may be necessary for Consultant to modify its opinion, add an emphasis-of-matter paragraph or other-matter paragraph(s) to its auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement. If Consultant discovers conditions that may prohibit it from issuing a standard report, Consultant will notify Health District. In such circumstances, further arrangements may be necessary to continue this Agreement.

H. Written confirmations required.

H.1 As part of its audit process, Consultant will request from Health District management and, if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this contract and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by Consultant during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

**ATTACHMENT B
PAYMENT**

A. Payment to Consultant:

A.1 Payments shall be based on approved Consultant invoices submitted in accordance with this Agreement. No payments shall be made in excess of the amounts detailed below in Section B, Budget.

B. Budget.

B.1 The budget for each year includes up to five (5) major programs. If additional programs are added during a fiscal year, or if programs are no longer active during a fiscal year, the budgeted price below will be increased or decreased accordingly by \$7,500 per program. The Not-To-Exceed budget is:

Year 1 April 27, 2023 – April 26, 2024 (2022-23 Audit)	\$124,000
Optional Year 2 (2023-24 Audit)	\$126,000
Optional Year 3 (2024-25 Audit)	\$130,000
Optional Year 4 (2025-26 Audit)	\$135,000
Optional Year 5 (2026-27 Audit)	\$141,000

B.2 Consultant may not bill more frequently than monthly for the duration of the project. Each invoice will detail hourly costs incurred for each class of professional identified in Attachment E, Proposal (FORVIS LLP Proposal for Professional Auditing Services dated February 13, 2023).

- a. Backup documentation including but not limited to invoices, receipts, monthly reports, proof of payments or any other documentation requested by Health District, is required, and shall be maintained by the Consultant in accordance with cost principles applicable to this Agreement.
- a. Health District reserves the right to require such additional documentation, including monthly activity reports, detailing Consultant's activities and Services rendered, as Health District deems appropriate to support payment to the Consultant.
- b. Payments will be made to Consultant within thirty (30) days, or within a mutually agreed upon period after Health District receives a complete invoice from Consultant.
- c. Consultant invoices shall be signed by the Consultant's official representative and shall include a statement certifying that the invoice is a true and accurate billing.
- d. Cost principles contained in the Federal Acquisition Regulation 48 CFR Part 31, Cost Principles for For-Profit Organizations, shall be used as criteria in the

determination of allowable costs.

B.3 Health District shall not be liable for interest charges on late payments.

B.4 In the event items on an invoice are disputed, payment on those items will be held until the dispute is resolved.

ATTACHMENT C
HEALTH DISTRICT RESPONSIBILITIES

A. Financial Services Department Staff:

Health District's Financial Services Department staff and responsible management personnel will be available during the audit to assist Consultant by providing information, documentation, and explanation. The preparation of confirmations, routine correspondence, and memorandums will be the responsibility of Consultant.

B. Work Area, Telephone, Photocopying and Fax Machines:

Health District will provide Consultant with reasonable workspace, desks, and chairs. Consultant will also be provided with access to one telephone line, financial systems, photocopying facilities and fax machine.

C. C. Audit Responsibilities.

C.1 Health District's management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all information provided and for the following:

a. Audit Support – to provide Consultant with:

- Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance, and component auditors) from whom Consultant determines it necessary to obtain audit evidence
- Information of which Health District is aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
- Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
- Information about any known or suspected fraud affecting the entity involving management, employees with significant role in internal control, and others where fraud could have a material effect on the financials
- Identification and provision of report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented
- Additional information that Consultant may request for the purpose of the audit

b. Internal Control and Compliance – for the:

- Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair presentation

of financial statements that are free from material misstatement, whether due to fraud or error

- Alignment of internal control to ensure that appropriate goals and objectives are met; that management and financial information is reliable and properly reported; and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any federal award programs) applicable to the entity's activities is achieved

- Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts, or other agreements reported by the auditor

- Establishment and maintenance of processes to track the status and address findings and recommendations of auditors

c. Accounting and Reporting – for the:

- Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets

Adjustment of the financial statements to correct material misstatements and confirmation to Consultant in the representation letter that the effects of any uncorrected misstatements aggregated by Consultant are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (or other basis if indicated in the Agreement)

- Inclusion of the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by Consultant

- Distribution of audit reports to any necessary parties

C.2 The results of Consultant's tests of compliance and internal control over financial reporting performed in connection with each audit of the financial statements may not fully meet the reasonable needs of report users. Health District's management is responsible for obtaining audits, examinations, agreed-upon procedures, or other engagements that satisfy relevant legal, regulatory, or contractual requirements or fully meet other reasonable user needs.

**ATTACHMENT D
BUSINESS ASSOCIATE AGREEMENT
BETWEEN
SOUTHERN NEVADA HEALTH DISTRICT
AND
FORVIS LLP**

This Business Associate Agreement (“Agreement”) is made and entered into this 27th day of April, 2023 between the Southern Nevada Health District (“Covered Entity”), and FORVIS LLP (“Business Associate”), (individually referred to as “Party” or collectively as “Parties”).

WITNESSETH:

WHEREAS, the Department of Health and Human Services (“HHS”) has promulgated regulations at 45 CFR Part 160 and 164, implementing the privacy and electronic security requirements set forth in the Administrative Simplification provision of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”); and

WHEREAS, Business Associate provides services to Covered Entity pursuant to one or more contractual relationships, said Agreements are detailed below and are hereinafter referred to as “Service Agreements,” and

WHEREAS, in the course of fulfilling its responsibilities under such Service Agreements, Business Associate may have access to, use, and/or disclose Protected Health Information (as defined below); and

WHEREAS, Service Agreements are hereby incorporated by reference and shall be taken and considered as a part of this document as if fully set out herein; and

WHEREAS, the enactment of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 establishes certain requirements relating to the use, disclosure, and safeguarding of protected health information by persons providing services to Covered Entities, and both Parties have mutually agreed to satisfy such requirements through this Agreement; and

NOW THEREFORE, in consideration of the Parties continuing obligations under the Service Agreement(s) and other good and valuable consideration, the Parties mutually agree to the provisions of this Agreement to address the requirements of the HIPAA Rules, establish satisfactory assurances Business Associate will appropriately safeguard any Protected Health Information received from or on behalf of Covered Entity, and, therefore, execute this Agreement.

1. AGREEMENTS AFFECTED BY THIS BUSINESS ASSOCIATE AGREEMENT

Business Associate will provide services to Covered Entity pursuant to the following Service Agreements:

PROFESSIONAL SERVICES AGREEMENT

FOR FINANCIAL AUDITING SERVICES BETWEEN SOUTHERN NEVADA HEALTH DISTRICT AND FORVIS LLP C2300113

2. DEFINITIONS

Any terms used, but not otherwise defined in this Agreement shall have the same meaning as those terms in 45 CFR Parts 160 and 164.

- i) "Breach" means the acquisition, access, use, or disclosure of PHI a manner that is not permitted under the privacy regulations which compromises the security or privacy of the PHI. Any unpermitted access, use, or disclosure is presumed a breach absent a demonstration of a low probability that the PHI has been compromised.
- ii) "Protected Health Information" (PHI) means individually identifiable health information including, without limitation, all data, documentation, demographic, medical, and financial information collected from an individual which relates to the past, present, or future physical or mental health, condition, provision of health care, or payment for the provision of health care to an individual. PHI includes without limitation "Electronic Protected Health Information" as defined below.
- iii) "Electronic Protected Health Information" (ePHI) means PHI which is transmitted by Electronic Media (as defined in the HIPAA Security and Privacy Rule) or maintained in Electronic Media.
- iv) "HIPAA Rules" means the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Parts 160 and 164.
- v) "Required by Law" has the same meaning as the term "required by law" in 45 CFR § 164.103.
- vi) "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

3. BUSINESS ASSOCIATE CONFIDENTIALITY REQUIREMENTS (Privacy Rule)

Business Associate acknowledges and agrees:

- i) To not use or disclose PHI other than as permitted or required by this Agreement, the Service Agreements, or as Required by Law.
- ii) To use appropriate safeguards to prevent the use or disclosure of the PHI other than as provided for by this Agreement.
- iii) In case of any conflict between this Agreement and the Service Agreements, this Agreement shall govern.
- iv) All PHI created, received, maintained, or transmitted by Covered Entity and disclosed or made available in any form or format by Covered Entity or its operating units to Business Associate or is created, received maintained or transmitted by Business Associate on Covered Entity's behalf shall be subject to this Agreement.
- v) To use or disclose any PHI solely for meeting its obligations as set forth in the Service Agreement(s) and as would be permitted by the HIPAA Security and Privacy Rule if such use or disclosure were made by Covered Entity.
- vi) Ensure all such uses and disclosures of PHI are subject to the limits set forth in 45 CFR § 164.514 regarding limited data sets and minimum necessary requirements.
- vii) Ensure any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restriction and conditions that apply through this Agreement to Business Associate with respect to such information (45 CFR § 164.314).

- viii) To fully cooperate in good faith and to assist Covered Entity in complying with the requirements of the HIPAA Rules.
- ix) Subject to the exceptions contained in the HITECH Act, Business Associate will not directly or indirectly receive remuneration for the sale or exchange of any PHI without a valid authorization from the applicable individual. Business Associate will not engage in any communication which might be deemed “marketing” under the HIPAA Rules.

4. BUSINESS ASSOCIATE SECURITY REQUIREMENTS (Security Rule)

Business Associate acknowledges and agrees:

- i) To implement appropriate safeguards and internal controls to prevent the use or disclosure of PHI other than as permitted in this Agreement or by the HIPAA Rules.
- ii) To use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by the Service Agreement(s), this Agreement, or as Required by Law. This includes the implementation of administrative, physical, and technical safeguards to reasonably and appropriately protect and secure the Covered Entity’s ePHI against any reasonably anticipated threats or hazards, utilizing technology commercially available to the Business Associate. (45 CFR §§ 164.308, 164.310, 164.312). Business Associate shall maintain appropriate documentation of its compliance with the Privacy Rule, including, but not limited to, its policies, procedures, records of training, and sanctions of its workforce member. (45 CFR §164.316).

- iii) To notify Covered Entity immediately of any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

In the case of an unsuccessful attempt to gain unauthorized access, Business Associate need only notify Covered Entity of an attempt that had a reasonable probability of success.

- iv) To notify Covered Entity immediately upon discovery of a breach pursuant to the terms of 45 CFR § 164.410 and cooperate in Covered Entity’s breach analysis procedures, including risk assessment and final determination on whether to notify affected individuals, media, or HHS.
 - a. A breach shall be treated as discovered by Business Associate as of the first day on which such breach is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate.
 - b. Business Associate shall provide Covered Entity with all required content of notification pursuant to 45 CFR § 164.410 and 45 CFR 404 within 15 business days of discovery of the Breach.
- v) For breaches determined to have resulted from the Business Associate actions and/or its subcontractors, Business Associate will handle and pay all costs for any breach notifications and/or mitigation to affected individuals and notifications to HHS and the media, on behalf of the Covered Entity.
- vi) All notifications as permitted or required pursuant to this Agreement must be in writing, and shall be made by personal delivery, overnight delivery, or via U.S. certified mail, postage prepaid to Covered Entity at the address set forth below:

Kyle Parkson, Privacy Officer

Southern Nevada Health District
280 S. Decatur Boulevard
Las Vegas, NV 89107

5. BUSINESS ASSOCIATE PERMITTED USES AND DISCLOSURES

Notwithstanding the prohibitions otherwise set forth in this Agreement, Business Associate may use and disclose PHI as follows:

- i) Subject to the limitations of this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- ii) Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation Services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(b).
- iii) Business Associate shall report to Covered Entity any use or disclosure of PHI which is not in compliance with the terms of this Agreement of which it becomes aware. Business Associate shall report to Covered Entity any Security Incident it becomes aware, including breaches of unsecured PHI. Notwithstanding the foregoing, the Parties acknowledge and agree that this section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which no additional notice to Covered Entity shall be required. "Unsuccessful Security Incidents" shall include, but not be limited to, ping and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incidents results in unauthorized access, use or disclosure of electronic PHI.
- iv) Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR § 164.502(j)(1).

6. SPECIFIC USE AND DISCLOSURES

- i) Business Associate agrees to make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.
- ii) Within 10 business days of a written request by Covered Entity, Business Associate shall allow Covered Entity to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies, and procedures governing the privacy and security of PHI; provided, however, that (i) the parties shall mutually agree in advance upon the reasonable scope, timing, and location of such inspection; (ii) Covered Entity shall protect the confidentiality of all confidential and proprietary information of Business Associate to which Covered Entity has access during the course of such inspection; and (iii) upon request of Business Associate, Covered Entity agrees to execute a nondisclosure agreement prior to such inspection, upon terms mutually agreed upon by the parties.
- iii) At Covered Entity's Request, Business Associate agrees:
 - a. To comply with any requests for restrictions on certain disclosures of PHI to which Covered Entity has agreed and of which Business Associate has been notified.
 - b. Within 15 days of a request by Covered Entity, account for disclosures of PHI and make an account of such disclosure available to Covered Entity as required by 45 CFR § 164.528.

7. TERMINATION

- i) Covered Entity shall have the right to terminate this Agreement and the Service Agreement(s) immediately if Covered Entity determines that Business Associate has violated any material term of this Agreement.
- ii) If Covered Entity reasonably believes that Business Associate has violated a material term of this Agreement, where practicable, Covered Entity shall either:
 - a. give written notice to Business Associate with an opportunity to reasonably and promptly cure or end the violation and terminate the Agreement if the Business Associates does not cure the breach or end the violation within the reasonable time specified; or
 - b. terminate this Agreement and the Service Agreement(s) immediately.
- iii) This Agreement shall terminate in the event that the underlying relationship, functions, or services that gives rise to the necessity of this Agreement terminates for any reason. Upon such termination, the provisions of this Agreement which expressly or by their nature survive expiration or termination will remain in effect.
- iv) Upon termination of the Service Agreement(s), this Agreement, or at the request of Covered Entity, Business Associate will return or destroy all PHI received from or created or received by Business Associate on behalf of Covered Entity that Business Associate still maintains in any form. Business Associate, however, may keep one copy of the Confidential Information for the sole purpose of determining its legal obligations and compliance with professional obligations, and will not be required to destroy or return Confidential Information contained in archival computer backups maintained as part of its reasonable IT policy. Business Associate further agrees to extend any and all protections, limitations and restrictions contained in this Agreement to Business Associate's use and/or disclosure of any PHI retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.
 - a. If such return or destruction is not feasible, Business Associate shall provide written assurances as to the means of continued protection of the data and extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction unfeasible for so long as Business Associate maintains the same.
 - b. Business Associate shall consult with Covered Entity as necessary to ensure an appropriate means for the return and/or destruction of any PHI and notify the Covered Entity in writing when such destruction is complete.
 - c. If PHI is returned, the Parties shall document when the PHI has been received by the Covered Entity.

8. MISCELLANEOUS

- i) The Parties agree that the provisions of HIPAA and the HITECH Act that apply to Business Associate are incorporated by reference into this Agreement in their entirety.
- ii) Business Associate agrees to make PHI available for amendment and incorporate any amendments to PHI in accordance with the requirements of 45 CFR § 164.526.
- iii) Except as expressly stated herein or the HIPAA Rules, the Parties to this Agreement do not intend to create any rights in any third parties.

- iv) The obligations of Business Associate under this Section shall survive the expiration, termination, or cancellation of this Agreement, the Service Agreement(s) and/or the business relationship of the Parties, and shall continue to bind Business Associate, its subcontractors, agents, employees, contractors, successors, and assigns.
- v) Business Associate will indemnify and hold harmless Covered Entity and any of its officers, directors, employees, or agents against any claim, cause of action, liability, damage, cost, or expense, including reasonable attorneys' fees and court or proceeding costs, brought by a third-party against Covered Entity, to the extent caused by any breach of the terms of this Agreement, any Breach of PHI under the control of Business Associate or its agents or subcontractors that requires notification under the HIPAA Rules or state law, or any failure to perform its obligations with respect to PHI by Business Associate, its officers, employees, agents, or any person or entity under Business Associate's direction or control.
- vi) This Agreement may be amended or modified only in a writing signed by the Parties. No Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party.
- vii) The Parties are independent entities and nothing contained herein shall be construed or deemed to create a relationship of employer and employee, principal and agent, partners, or any relationship other than that of independent parties voluntarily cooperating with each other solely for the purpose of carrying out the provisions herein.
- viii) This Agreement will be governed by the laws of the State of Nevada.
- ix) Failure to declare a breach or the actual waiver of any particular breach of the Agreement or Service Agreement(s) or its material or nonmaterial terms by either Party shall not operate as a waiver by such Party of any of its rights or remedies as to any other breach.
- x) Waiver of any term, provision or condition of this Agreement, in any one or more instances, shall not be deemed to be construed as a further waiver from any such term, provision or condition, or as a waiver of any other term, provision or condition of this Agreement.
- xi) Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity and the Business Associate to comply with the HIPAA Rules.
- xii) Any reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- xiii) In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect.
- xiv) This Agreement is the result of the joint efforts of Covered Entity and Business Associate, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the Parties and there shall be no construction against any Party based on any presumption of that Party's involvement in the drafting thereof.
- xv) This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

COVERED ENTITY
SOUTHERN NEVADA HEALTH DISTRICT

By: _____
Fermin Leguen, MD, MPH
District Health Officer

BUSINESS ASSOCIATE
FORVIS LLP

By: _____
Christopher Jones, CPA
Partner

ATTACHMENT E

FORVIS LLP Proposal for Professional Auditing Services dated February 13, 2023

FORVIS™



FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office

FORVIS

77 West University Drive / Mesa, Arizona 85201
P 480.834.6030 / F 480.644.9877
forvis.com

Tab 1 – Cover Letter

23RFP004 Audit Services

February 13, 2023

Mr. Kevin Bratcher
Procurement Officer
Southern Nevada Health District
280 South Decatur Boulevard
Las Vegas, NV 89107

Dear Mr. Bratcher:

The healthcare industry is complex and requires attending to a myriad of challenges to continue providing the care communities need. With an emphasis on patient outcomes and overall care, Southern Nevada Health District (Health District) must carefully consider risk, payment reform, and regulatory challenges in the evolving landscape of the healthcare industry. It's also important the Health District identifies potential opportunities to improve reimbursement through revenue cycle processes and existing regulations. With no shortage of considerations, you need a forward-thinking advisor who can not only provide the audit services you're seeking, but also an advisor with responsive communication and extensive healthcare experience to help you thrive. Look no further than FORVIS.

We understand the Health District's request for audit services and stand ready to proceed according to your timeline.

FORVIS, a registered limited liability partnership, ranks among the nation's top 10 public accounting firms. FORVIS, LLP was formed in 2022 through the combination of two nearly 100 year old firms, both committed to providing Unmatched Client Experiences™—BKD, established in Kansas City and Joplin, Missouri, in 1923, and Dixon Hughes Goodman LLP (DHG), established in Norfolk, Virginia, in 1932. With more than 5,700 dedicated professionals located in 72 markets across 28 states, the UK, and Cayman Islands, FORVIS serves clients in all 50 states and across the globe. We offer a wide range of assurance, tax, advisory, and wealth management services. As a modern, forward-thinking firm, we have a virtual headquarters with professionals serving in offices throughout the country to better serve our national client base. Our address at 14241 Dallas Parkway, Suite 1100, Dallas, Texas, 75254 can be used for correspondence.

We believe our proposal will help you select our firm for efficient and objective services delivered by experienced professionals. We will call you soon to answer questions you may have about this proposal, or you may reach us by phone or email as provided below.

Respectfully Presented,



Christopher A. Jones, CPA
Partner
480.834.6030
chris.jones@forvis.com



J. Chris Clark, CPA
Partner
972.702.8262
chris.clark@forvis.com

||

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.



FORVIS is a trademark of FORVIS, LLP. Registration of which is pending with the U.S. Patent and Trademark Office.



**ATTACHMENT A
Proposal Form**


Provide the following information. Indicate "None" as applicable.

The undersigned, as an authorized representative of the company named below, acknowledges that they have examined this Request for Proposals and all related documents, and hereby offers to furnish all labor, materials, tools, supplies, equipment, and services necessary to comply with the specifications, terms and conditions set forth herein.

Company name:	FORVIS, LLP
Company headquarters address:	<small>FORVIS is a limited liability partnership under Delaware law. Its members demand finding firm, or have a virtual headquarters with professional strategic offices throughout the country to better serve our international base. Our Dallas, Texas, address below can be used for correspondence.</small>
Company website:	forvis.com
Ownership type (i.e., partnership, corporation):	Limited Liability Partnership
Company officers' names, titles, and number of years providing audit services:	FORVIS' Governing Board is the policy-making body of the firm, made up of the board chair (Matt Snow - more than 30 years experience) and chief executive officer (Tom Watson - more than 30 years experience) in addition to three regional managing partners and eight partners who serve three-year terms. More than 330 partners and principals throughout FORVIS' offices have an ownership interest in FORVIS.
Number of years in business:	^A
Number of employees:	Approximately 5,700
Federal tax ID number:	44-0160260
Nevada business license number:	NV20222464828
Sam.gov unique entity identifier (UEI):	FV5MAAQ7LUMS
Dun & Bradstreet D-U-N-S number:	^{AA}
Does the proposal include exceptions to any RFP specifications or requirements?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Signer acknowledges receipt of the following addenda. Indicate "N/A" if no addenda were issued:

Addendum No. <u>N/A</u>	Issue Date <u>N/A</u>
Addendum No. _____	Issue Date _____
Addendum No. _____	Issue Date _____
Addendum No. _____	Issue Date _____

Authorized Signature:  Date: February 13, 2023

Printed Name and Title: Partner Christopher A. Jones, CPA

Phone: 480.834.6000 Email: chris.jones@forvis.com

^A FORVIS, LLP was formed in 2022 through the combination of two nearly 100 year old firms, both committed to providing Unmatched Client Experiences—BKD, established in Kansas City and Joplin, Missouri, in 1923, and Dixon Hughes Goodman LLP (DHG), established in Norfolk, Virginia, in 1932.

^{AA}Our DUNS number is 116722648; however, FORVIS does not supply our financial information to Dun & Bradstreet, so any information obtained may or may not be reliable. We encourage potential clients to contact us directly to receive information about the firm.

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

FORVIS, LLP

Nevada Business Identification # NV20222464928

Expiration Date: 05/31/2023

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which, by law, cannot be waived.



Certificate Number: B202208012711608

You may verify this certificate
online at <http://www.nvso.gov>

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed the Great Seal of State, at my
office on 06/01/2022.

Handwritten signature of Barbara K. Cegayske in cursive.

BARBARA K. CEGAYSKE
Secretary of State

Tab 2 – Executive Summary

Provide an executive summary not exceeding five (5) pages including a brief, concise summation of your proposal and why your firm is uniquely qualified for this engagement.

Southern Nevada Health District (Health District) faces a constantly evolving, unpredictable operating environment. While the need for better, more specialized care increases, you also must navigate new regulations, shifting technologies, and high patient expectations. Furthermore, your financial viability is crucial to maintaining the high level of care the Health District's patients have come to expect, which makes monitoring your financial position a top priority. Working with an advisor who understands the growing demands on the healthcare industry can help you be confident in the direction you're moving. FORVIS has the future-focused vision and resources to help as the Health District looks ahead.

The FORVIS Value

The Health District's choice of an advisor is important. Beyond completing your requested services on time, our goal is to provide the Health District with the technical knowledge and industry intelligence you expect from an experienced team that is focused on your needs both today and tomorrow. While FORVIS is a new name in the marketplace, we bring an established history of performance helping similar clients see improvements to operations, processes, and financial outcomes. With a fresh perspective from FORVIS, the Health District can be confident you are connected to the tools and services you need to thrive and receiving significant value through year-round thought leadership, best practice recommendations, and proactive ideas.

In addition, as evidenced by our recognition in the **INSIDE Public Accounting 2022 IPA Best of the Best** list, FORVIS offers value through a strong, reputable network of support and resources. Our national coverage benefits our clients, our people, and the market of the future as we focus on our commitment to deliver **Unmatched Client Experiences™**.



Proposed Services for the Health District

The Health District has requested information and a fee quote for a Financial Statement Audit in Accordance with Government Auditing Standards and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance). Please see the Work Plan & Audit Approach section for a detailed explanation of our audit service approach.

The FORVIS Difference

Being a top 10 public accounting firm matters, but what sets us apart is our commitment to client service and a forward-thinking mindset focused on innovation. We prioritize investing in new technologies to help clients navigate healthcare developments, and we foster a dynamic culture of leadership and professional development. This means the Health District can work with a healthcare-focused team driven by our forward vision to help you succeed today while helping the Health District prepare for the future.

Here's what sets us apart:

- FORVIS proudly encourages and promotes diversity and an inclusive workplace. With innovative strategies for recruiting, as well as an ongoing focus on the development and implementation of internal inclusion programs, we are committed to identifying opportunities that help each individual to thrive.
- With the urgency of changing environmental, social, and governance (ESG) requirements and the expectation your organization is prepared for what comes next, our experienced advisors are ready to offer the insights and education you may need to enhance and inform your ESG strategy. Start with our ESG and climate risk **FORsights™** at forvis.com/forights.
- With a forward vision that drives our Unmatched Client Experiences, FORVIS is driven by a commitment to anticipate what's ahead so that our clients are ready to thrive when it arrives.

Why Choose FORVIS

Extensive Healthcare Experience

FORVIS provides audit services to thousands of healthcare providers nationwide, many of which are comparable in size to the Health District.

FORVIS is a leading reimbursement practice for Medicare and Medicaid cost reports and has helped healthcare providers navigate Medicare since its inception five decades ago. Few firms can compete with our year-round focus on healthcare and professional development plans, which provide a solid understanding of the complexities of Medicare, Medicaid, and other third-party reimbursement. Our experience preparing thousands of Medicare and Medicaid cost reports each year, as well as providing reimbursement consulting services to healthcare providers in nearly every state, gives FORVIS a unique advantage over many firms that may work in limited geographic or service areas. FORVIS employs a number of personnel who work solely in Medicare and Medicaid reimbursement and regulatory issues. In addition, our reimbursement professionals have built strong working relationships with the Medicare Administrative Contractors (MAC) in most regions.

Significant CHC and Single Audit Experience

Long-term financial success often depends on strategic planning and ongoing support from a trusted business advisor. We believe FORVIS' work with hundreds of CHCs nationwide positions us well to be that advisor for the Health District. According to data compiled by the Office of Management and Budget (OMB) via the Federal Audit Clearinghouse, the legacy firms comprising FORVIS audit more CHCs than any other CPA firm and audit more than double the number of the closest ranking firm. We are the third-largest provider of Single Audits overall among CPA firms, performing approximately 800 annually. Furthermore, through involvement in the National Association of Community Health Centers (NACHC) and similar organizations, FORVIS provides technical support in developing and improving CHCs across the country.

Increasing federal compliance requirements and scrutiny make implementing and documenting grant accounting and management systems a critical consideration. The Health District should be confident your CPA firm understands these matters. In addition to helping our clients navigate federal granting agency mandates, FORVIS assists with various projects focused on the establishment and ongoing maintenance of systems and controls to help manage federal funds and meet reporting requirements.

Our consultants also provide a variety of additional grant management consulting services, including assisting with completion and submission of various reports required by federal granting agencies, i.e., Federal Financial Report and Uniform Data System.

Furthermore, the Health District can benefit from advisors who focus on revenue cycle and operations issues for healthcare providers, including CHCs. We can help with fee schedule development, which includes third-party payor billing and coding compliance reviews, revenue cycle process analyses, and a variety of other services focused on improving revenue cycle compliance and operating cash flows.

A Responsive & Coordinated Audit Approach

A successful audit is more than simply an evaluation of your accounting records—it requires frequent coordination between your key staff and your audit team. FORVIS' professional standards set the expectation that we respond to your questions promptly and communicate clearly at each step of the process to help limit duplicative requests for information. In addition, you can expect your engagement professionals to offer ideas, updates, and guidance throughout the year—not just during the active service process. We believe being a trusted advisor includes being prepared to serve as a sounding board to help clients evaluate how various actions could affect their operations, so they can execute decisions efficiently and with confidence.

Primary Care Association Involvement

FORVIS works closely with numerous states and regional PGAs, including:

- Alabama Primary Care Association
- Arizona Alliance of Community Health Centers
- California Primary Care Association
- Community Health Centers of Arkansas, Inc.
- Community HealthCare Association of the Dakotas
- Illinois Primary Health Care Association
- Indiana Primary Health Care Association
- Iowa Primary Care Association
- Kansas Association for the Medically Underserved
- Kentucky Primary Care Association
- Mid-Atlantic Association of Community Health Centers
- Minnesota Association of Community Health Centers
- Mississippi Primary Health Care Association
- Missouri Primary Care Association
- Montana Primary Care Association
- New Mexico Primary Care Association
- North Carolina Primary Care Association
- Northwest Regional Primary Care Association
- Ohio Association of Community Health Centers
- Oklahoma Primary Care Association
- Pennsylvania Association of Community Health Centers
- Tennessee Primary Care Association
- Texas Association of Community Health Centers
- Virginia Primary Care Association
- West Virginia Primary Care Association
- Wisconsin Primary Care Association

Representative List of Clients

FORVIS is proud to work with FQHCs and GHCs, including:

- Central Oklahoma Family Medical Center
- Centro de Salud Familiar La Fe
- CHAS Health
- CommuniCare Health Centers
- Community Care of West Virginia
- Community Health Care
- Comprehensive Community Health Centers
- Cross Trails Medical Center
- Eastern Iowa Health Center
- Fairview Community Health Center
- Flint Hills Community Health Center
- HealthFirst Bluegrass
- Holyoke Health
- Jordan Valley Community Health
- Legacy Community Health
- Marin Community Clinics
- Missouri Ozarks Community Health
- Northeast Missouri Health Council
- Northwest Health Services
- Primary Health Care, Inc.
- Slouland Community Health Center
- Southside Medical Center
- St John's Well Child & Family Center
- Total Health Care

Tab 3 – Table of Contents

Tab 1 – Cover Letter	iii
Tab 2 – Executive Summary	vi
The FORVIS Value	vi
Proposed Services for Health District	vi
The FORVIS Difference	vi
Why Choose FORVIS	vii
Tab 4 – Firm Qualifications & Experience	2
Office Location & Size of Governmental Audit Staff	2
Team Biographies & Experience	3
Tab 5 – Work Plan & Audit Approach	8
Tab 6 – Other References	17
Tab 7 – Additional Data & Other Information	18
Tab 8 – Execution of Offer	20
Tab 9 – Cost Proposal	22
Appendix	23
AICPA Peer Review Letter	24
BKO Peer Review Report	25
About FORVIS	26

Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. The information provided in this proposal is intended for informational purposes only and may not be copied, used, or modified, in whole or in part, without FORVIS' prior written approval. All information in this proposal is as of November 1, 2022, including projected statistics for FORVIS, unless otherwise noted.

FORVIS is a trademark of FORVIS, LLP, registered in what is pending with the U.S. Patent and Trademark Office.

Tab 4 – Firm Qualifications & Experience

For your convenience, we have structured our proposal according to the requirements in your RFP. We believe our proposal will demonstrate our qualifications to serve the Health District.

INFORMATION CONTAINED IN FORVIS' RFP RESPONSE, WHICH IT ASSERTS AS CONFIDENTIAL, IS EITHER BUSINESS AND/OR PROPRIETARY TRADE SECRET INFORMATION NOT SUBJECT TO DISCLOSURE AS SET FORTH IN THE STATE OF NEVADA OPEN RECORDS ACT. SUCH CONFIDENTIAL INFORMATION HAS INDEPENDENT ECONOMIC VALUE TO FORVIS, IS NOT REASONABLY ASCERTAINABLE BY THIRD PARTIES, AND IS THE SUBJECT OF REASONABLE EFFORTS BY FORVIS TO MAINTAIN ITS SECRECY AND/OR CONFIDENTIALITY. SUCH INFORMATION IN THIS PROPOSAL SHALL BE DESIGNATED AS CONFIDENTIAL.

Office Location & Size of Governmental Audit Staff

1. Indicate the office location from which work on this audit engagement will be performed.
2. Indicate the size of your firm's governmental audit staff.

The Health District's requested services will be provided primarily by our Phoenix and Dallas offices.

FORVIS
77 West University Drive
Mesa, AZ 85201

FORVIS
14241 Dallas Parkway | Suite 1100
Dallas, TX 75254

FORVIS has hundreds of professionals who spend more than 50% of their billable hours providing services to clients in the nonprofit, governmental, and higher education industries, including audit services to governmental entities.

Team Biographies & Experience

3. Indicate the professional staff who will be assigned to this audit engagement.

We take team selection seriously and have the appropriate team of advisors to meet your needs. Previous experience is a primary determinant for assigning professionals to your engagement, and we have assigned individuals who are experienced in working with healthcare organizations to your engagement.



Christopher A. Jones, CPA
Client Relationship Partner

480.834.6030
chris.jones@forvis.com

Engagement Responsibilities

As client relationship partner, Chris will be responsible for serving as a point of contact and overseeing the working relationship.

Experience

Chris has more than 15 years of auditing experience. He specializes in audited and reviewed financial statements and financial analysis. Chris is passionate about making business connections, being a trusted advisor, and helping people improve their businesses. His industry expertise includes education, healthcare, construction, real estate, manufacturing, railroads, and nonprofit organizations.

Chris is a member of the American Institute of CPAs and Arizona Society of Certified Public Accountants.

He is active in the community and has served on various boards and committees.

He is a graduate of Northern Arizona University, Flagstaff, with a B.S. degree in accounting.



J. Chris Clark, CPA
Engagement Executive

972.702.8262
chris.clark@forvis.com

Engagement Responsibilities

As engagement executive, Chris will be responsible for coordinating and overseeing the engagement.

Experience

An 21-year veteran in healthcare audit and consulting, Chris is a member of the Healthcare Practice at FORVIS. He helps his clients in the nonprofit and governmental healthcare sectors improve financial performance with his experience in audit, strategic planning, reimbursement consulting, and cost report preparation services. He also prepares financial forecasts and feasibility studies and provides services to nursing homes, home health agencies, community health centers and psychiatric centers. He has served on FORVIS' Healthcare Committee as the regional healthcare industry leader since 2018. Chris oversees the expansion of FORVIS' Healthcare Practice and service offerings across Texas, Arkansas, Arizona, Oklahoma, and Mississippi.

Prior to joining FORVIS, he served as the controller for an integrated, multihospital health system with an annual revenue of \$1 billion. During his time as controller, he managed payroll, accounts payable, and final reporting functions.

Chris is a member of the American Institute of CPAs and Texas Society of Certified Public Accountants. He is past president of the board of directors for the Lone Star Chapter of the Healthcare Financial Management Association (HFMA). He also serves as board member and past board chair for PRISM Health North Texas and board member and treasurer of the Texas Chapter of the ALS Association. Chris is also a board member of the Dallas Division of the American Heart Association. As an industry thought leader, Chris has been tapped to speak at a variety of conferences and seminars for HFMA, Texas Hospital Association, and Texas Healthcare Trustees, among others.

He is a 2001 graduate of University of Central Arkansas, Conway, with a B.B.A. degree in accounting.



Andrea M. Sartin, CPA
Audit Director

972.702.8262
andrea.sartin@forvis.com

Engagement Responsibilities

As audit director, Andrea will be responsible for managing day-to-day audit procedures, including establishing and meeting key deadlines, communicating the status of the audit, coordinating resources and reviewing whether the audit process is performed in compliance with applicable regulations.

Experience

As a member of FORVIS' Healthcare Practice, Andrea has experience in healthcare audit and consulting services. She provides a variety of services, including audit, reimbursement consulting, cost report preparation, 340B HRSA compliance audits, STARK/anti-kickback compliance reviews, and financial forecasts.

She is a member of the American Institute of CPAs and TXCPA.

Andrea is a 2009 graduate of Oklahoma State University, Stillwater, with a B.S. degree in accounting, and a 2011 graduate of The University of Tulsa, Oklahoma, with an M.B.A. degree.



Ariene Turley, CPA
Audit Manager

480.834.6030
ariene.turley@forvis.com

Engagement Responsibilities

As audit manager, Ariene will be responsible for assisting with audit services and reviewing the financial statements.

Experience

Ariene has more than 15 years of audit experience, providing services to nonprofit, healthcare, manufacturing, and technology entities. In addition to financial statement audits, she is experienced with Uniform Guidance, review, and compilation engagements as well as financial report preparation. Ariene also has helped clients implement new accounting standards and review internal controls.

She is a member of the American Institute of CPAs and Arizona Society of Certified Public Accountants.

Ariene is a graduate of Villanova University, Pennsylvania, with an M.S. degree in accounting and professional consulting, and a graduate of Northern Arizona University, Flagstaff, with a B.S. degree in accounting.

Additional Resource



Jonathan D. Buchanan
Director

As a member of the FORVIS' Healthcare Practice, Jonathan focuses on reimbursement consulting. He provides Medicare and Medicaid reimbursement analysis and compliance solutions and assists with review and preparation of cost reports for hospitals, skilled nursing facilities, rural health clinics, and other healthcare providers.

In addition, as a regulatory compliance advisory team member, he provides services to healthcare facilities completing Texas Medicaid DSH/UC services/audits, wage index reviews, bad debt reviews, S-10 reviews, Medicare Geographic Classification Review Board (MGCRB) services, and Intern/resident consulting.

Jonathan is a 2010 graduate of Southeastern Oklahoma State University, Durant, with a B.B.A. degree in accounting.

4. Submit a copy of your firm's most recent external quality control review report including a statement indicating whether the review included government audit engagements.

FORVIS is committed to providing quality audit services to our clients, and we submit our work to external reviewers who challenge our approach and findings. The American Institute of CPA's (AICPA) peer review program assists us in confirming our process works and identifying potential areas for improvement that could enhance our audit quality.

Our legacy firms, BKD, LLP and Dixon Hughes Goodman LLP, regularly participated in these reviews once every three years as required by the AICPA. As the predecessor entity for peer review purposes, a copy of BKD's most recent AICPA peer review report, with the rating of "Pass"—the best rating available under current peer review standards—is contained in the Appendix.

This peer review included inspection of BKD's engagements performed under Government Auditing Standards.

5. Describe the results of any federal or state desk reviews or field reviews of your firm's audits during the past three (3) years. In addition, describe the circumstances and status of any disciplinary action taken or pending against your firm with any state regulatory bodies or professional organizations during the past three (3) years.

From time to time, selected audit engagements are subject to desk review by federal or other regulators. All such reviews during the past three years have shown our work to be generally satisfactory, and no disciplinary or other administrative proceedings have resulted from those reviews. There have been no disciplinary actions taken against FORVIS by the AICPA or any regulatory or licensing agency in the past three years.

Please note that FORVIS, LLP was formed on June 1, 2022, through a merger between BKD LLP ("BKD") and Dixon Hughes Goodman LLP ("DHG"). The foregoing responses also apply to BKD and DHG. More information about the merger can be found here: www.forvis.com/news-releases/forvis-begins-serving-clients-newest-top-10-public-accounting-firm.

8. For the office that will be assigned responsibility for this audit engagement, list the most significant audit engagements (maximum of 5) like this RFP, ranked accordingly, performed in the past seven (7) years. For each engagement, indicate the scope of work, dates, engagement partners, total hours, and the principal client contact's name, phone number and email address.

References

We have a track record of helping similar health systems and understand our clients are our best ambassadors. Listening to us helps, but hearing directly from your peers can be a meaningful step in your decision-making process. We encourage you to reach out to the following clients to discuss FORVIS' services and capabilities at your convenience.

El Paso County Hospital District^{Confidential}

El Paso, Texas
Scope of Work: Audit/Single Audit/Regulatory
Dates: 2008 - Present
Partners: Chris Clark
Total Hours: 1000+
Mr. Michael Nunez
Chief Financial Officer
915.521.7626
MichaelNunez@umcelpaso.org

Dallas County Hospital District^{Confidential}

Dallas, Texas
Scope of Work: Audit/Single Audit/Regulatory
Dates: 2017 - Present
Partners: Chris Clark
Total Hours: 1000+
Mr. Richard Humphrey
Chief Financial Officer
214.590.8000
Richard.Humphrey@phhs.org

Harris County Hospital District^{Confidential}

Houston, Texas
Scope of Work: Audit/Single Audit
Dates: 2017 - Present
Partners: Chris Clark
Total Hours: 1000+
Ms. Victoria
Chief Financial Officer
346.426.0335
Victoria.Nikitin@harrishealth.org

Palo Pinto County Hospital District^{Confidential}

Mineral Wells, Texas
Scope of Work: Audit/Single Audit/Regulatory
Dates: 2016 - Present
Partners: Chris Clark / Andrea Sartin
Total Hours: 400+
Mr. William Whiddon
Chief Financial Officer
940.328.6401
wwhiddon@ppgh.com



We ask a lot of questions, and we appreciate BKD's expertise and guidance. BKD advisors are great at communication and planning.

Phil Hamilton
Pershing Health System
BKD Legacy Client

7. Describe your firm's capabilities to audit computerized systems.

Financial statement audits are not the same as a security or system assessment. Our focus is to identify potential material misstatements that may occur in the financial statements. However, gaining a detailed understanding of client systems and related controls is an evolving and expanding element in our audit process, and our capabilities for auditing in an automated environment are substantial. We deploy a mixture of electronic audit tools and data management techniques during this process.

As we gain an understanding of your environment and your IT controls, we will share any significant feedback and suggestions based on our observations.

The extent of our work will depend on our assessment of the reliance that should or could be placed on the controls in your system environment that address IT risks relevant to controls over financial reporting. Our approach may include assessing IT general controls (ITGC), such as logical security, change management, computer operations and complementary user entity controls identified by service providers in their System and Organization Controls (SOC) reports.

When controls are not present or effective, or when substantive procedures provide appropriate evidence, we may limit our work around understanding the design of your IT controls. In more complex environments where reliance on systems improves audit effectiveness and efficiency, our procedures may expand beyond understanding the design to testing the operating effectiveness of IT controls.

While the Health District's primary audit team will obtain an understanding of the flow of transactions through your systems, we also have built a team of IT assurance professionals who are focused on the procedures involved in testing the ITGCs that support these systems for the purpose of a financial statement audit.

Beyond testing your systems, FORVIS continues to invest in our own software tools that enhance our audit practice. Our tools allow us to ingest large blocks of data for trend and anomaly detection, organize unstructured data, e.g., agreements, contracts, and leases, for testing and create visualizations of data that assist in our audit procedures.

With respect to these procedures, confidentiality is not negotiable. We take care in our interactions not to interface directly with your systems in a way that may expose your data or create inappropriate security risks. As we work with your data, features such as our secure exchange portal and encrypted systems provide confidence that your data is safe and secure.

Tab 5 – Work Plan & Audit Approach

1. Provide a work plan and describe your proposed audit methodology. Include references to the applicable sources of information (i.e., budget and related materials, organizational charts, manuals and programs, and financial and other management information systems) and time estimates for completing the financial audit and single audit work.

Financial Statement Audit in Accordance with *Government Auditing Standards* & the Uniform Guidance

Auditing standards set the technical requirements for our process, culminating with the expression of our opinion on the presentation of your financial statements. Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The FORVIS Audit Experience

While auditor selection should start with evaluating technical competence, it also should extend to your expectations for a service experience. Your audit experience includes how your engagement is managed, how you and your team are treated, the quality and timeliness of communication you receive, and your confidence in the results and guidance you receive. FORVIS' philosophy emphasizes Independence, Integrity, and quality, and we have a strong commitment to providing high quality service, through a knowledgeable engagement team.

Onboarding & Project Management

Your FORVIS audit experience starts as soon as you select us. Our priorities include building rapport with your team, developing a deeper understanding of your operations, and coordinating with you on the design and expectations of our service relationship. These efforts are part of our smooth transition approach. The proposal process has provided us with the basics of your organization but learning more will help us serve you better.

If not already completed, we will finish the details of client acceptance to confirm what we have learned and verify confidential information not already obtained, such as litigation history or other sensitive matters.

Proposed Timeline

AUDIT ACTIVITY	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Transition & Onboarding	X	X						
Audit Planning		X		X				
Risk Assessment		X	X					
Test of Internal Controls			X					
Final Fieldwork					X	X		
Draft Reports							X	
Presentation to Governing Board								X
Finalize Reports								X

We anticipate final fieldwork lasting one to two weeks beginning in August with subsequent wrap up of testing occurring in September.

Executing the Audit

Once we have established our overall process and communication plans with you, the detailed work can begin. Key elements of that work include:

Risk Assessment

We will identify and assess risks of material misstatement in your financial statements, including those from potential fraud. Our work is supported by building a strong understanding of your business environment through documents you provide and by gathering information through interviews and tests for significant transaction cycles.

Audit Design

Based on risks identified, we will design an audit approach specific to your organization. This tailoring takes into consideration the uniqueness of your operations, the design of internal controls you have implemented, and the nature of financial statement amounts and disclosures. We consider whether matters are truly important (materiality), as well as obtain input about concerns from management and the board of directors to design the tests we will perform.

Gathering Evidence

Once the plan is complete, we will execute the audit through a combination of on- and off-site work performed in accordance with the agreed-upon timeline.

Reviewing the Work

Critical to our process is a review of the team's work by our engagement executive, as well as a quality review by another executive who is independent from the detailed work. The quality review is designed to improve our deliverable by providing a fresh perspective and reinforcing quality.

Sharing Our Results

We base our audit opinion on the evidence gathered and then communicate our findings. Professional standards drive the content of our opinion and the required communication about any deficiencies and other items we may identify during the audit. Beyond these requirements, we share results formally through our letters and presentations to management and the board of directors, as well as opportunities for improvement through conversations during the audit process.

Compliance Audit in Accordance with the Uniform Guidance

FORVIS performs hundreds of Single Audits annually, focusing on two objectives: first, an audit of your financial statements and reporting on the Schedule of Expenditures of Federal Awards (SEFA) in accordance with Government Auditing Standards, and second, a compliance audit for federal awards expended during the fiscal year in accordance with the Uniform Guidance.

Many of our nonprofit and governmental clients receive federal funding. Our extensive experience with compliance testing in accordance with OMB requirements can help provide the Health District with a Single Audit performed properly and submitted on time.

Our Approach

During our audit procedures of federal award programs, we do not simply look for findings to report. We look for opportunities to advise you of more efficient ways to comply with federal regulations to reduce the risks of sanctions or reduced funding. FORVIS has developed contacts at federal agencies and has been able to work cooperatively with these agencies to help clients resolve or avoid issues.

Entities subject to the Uniform Guidance and Government Auditing Standards will benefit from FORVIS' specially designed audit programs, checklists, and database of federal audit programs.

Identification and testing of your federal programs will be performed primarily during interim fieldwork, which will typically be performed before your fiscal year-end. We have found this to be the most efficient manner in which to perform our audit services when the additional Uniform Guidance requirements are present.

Training Requirements for Single Auditors

The Health District can have confidence in FORVIS auditors' experience in testing federal funding subject to the Uniform Guidance. Our audit professionals are required to receive at least 120 hours of CPE every three years and, for auditors involved with audits performed under Government Auditing Standards, this education includes the hours required to comply with Government Auditing Standards Yellow Book guidance. Staff members attend a series of core audit and accounting courses over the first four years of their careers. Staff subsequently receive additional training on accounting and auditing for the nonprofit and governmental environment.

Audit of Federal Programs

FORVIS routinely provides compliance audits of student financial aid programs and other federally funded programs for higher education institutions, nonprofit organizations, and healthcare systems. Many of the healthcare providers served by FORVIS follow Government Auditing Standards.

Broad Audit Risk Considerations

Some risk considerations apply across nearly all of our audits. We pay particular attention to the following items:

Significant Accounting Estimates

Nearly all financial statements have significant estimates in amounts and disclosures, even when not readily apparent. Estimates may include amounts ultimately collectible from third parties, expected losses or costs occurring at a specific amount and time, etc.

We will gather information supporting management's estimates and challenge key assumptions used to develop these amounts. We also will test estimates on available data and historical trends and document our conclusions on the reasonableness of recorded amounts.

Risk of Management Override of Controls

When considering fraud, auditing standards require evaluating the risk that management could override existing controls. We will perform interviews of selected individuals, apply an element of unpredictability in our testing, and brainstorm as a team to evaluate risks and possible actions based on our observations. We also will perform journal entry testing, review estimates for bias and significant changes, and consider the business rationale for significant unusual transactions.

Procedures & Risks Specific to Healthcare

Audit procedures can vary, but they often include traditional observation, sampling and testing combined with more advanced deployment of technology for trend analysis, summarization of documents, and assessment of large data sets.

Our work with hundreds of clients in the healthcare industry means our advisors are very familiar with providers similar to the Health District. While no two audits are the same, certain activities are common to healthcare providers. Specific risk areas for the Health District are likely to include:

Patient Receivable Valuation

Valuation of patient accounts receivable is a challenging and complex area. We will use several methods to audit your estimates, including using look-back reports, reviewing historical collection methods, and assessing the aging and payor mix of your receivables.

We also will analytically review key ratios, such as days in accounts receivable, and charge-off rates compared to industry averages and prior-year results to help us reach our audit conclusions.

Self-Insured Liabilities

When self-insuring various risks, such as workers compensation, you might obtain an actuarial valuation of your potential liability each year or prepare an estimate based on claims experience.

We will audit this estimate by reviewing your actuary's report and comparing the data used in that report to your open cases and prior experience to challenge key assumptions. If no actuarial valuation is obtained, we will audit management's estimate by evaluating claims experience, including the average time between incident or service dates and claim payment dates, and consider significant claims arising subsequent to year-end.

We also will correspond with your attorneys and internal risk management personnel to gain an understanding of open cases and search for claims that may significantly affect your estimates.

Net Pension & Other Postemployment Benefit Liabilities

The Health District records estimated pension and other postemployment benefit (OPEB) liabilities based on valuations provided by an independent actuary. The estimates represent the difference between the total pension and OPEB liability and the fiduciary net position of respective plan assets and is based on a variety of assumptions including a discount rate to equate the obligation to present value at the statement of net position date. We will audit this estimate by reviewing the actuary's reports and comparing the data used in the report to source documentation. We will test the attributes of the census data used in the measurement of the total liabilities for accuracy and challenge the assumptions used in the estimate for reasonableness. We will also test the existence and value of plan assets.

Technology & Systems

The processing of patient and other information is typically highly automated through complex software and systems. Our large healthcare practice has provided us with deep experience in assessing these technologies.

As part of our planning, we will gather information and gain an understanding of the technology you deploy to design our audit approach and the extent to which we may rely on your systems.

Our tests may include walk-throughs of transactions, testing of key system controls, review of change management processes and testing of access controls and related security. Depending on the complexity and uniqueness of your systems, we may engage IT audit specialists to assist in this process.

Peer Benchmarking

The nature of healthcare providers and related reporting results in substantial peer benchmarking information that is not as common in other industries.

In addition to leveraging available benchmarking data as part of our audit procedures, we will provide benchmarking information from healthcare providers similar to you from our extensive resources.

2. Provide your audit approach and related information as follows:

a. Segmentation of the engagement

b. Level of staff to be assigned to and the estimated hours for each proposed segment

Task/Event	Completed	Personnel	Hours
Planning, Onboarding & Project Management			30
Completion of Initial client acceptance details (Initial year only)	March	Partner/Director	
Review of prior auditor workpapers (Initial year only)	April	Partner/Director	
Planning meeting/entrance conference with management to establish or confirm various milestones & deadlines	April	Partner/Director	
Initial set up of online client portal to facilitate communication with your team	April	Manager	
Risk Assessment			50
Gather an understanding of your Internal controls & overall environment	May	The Health District	
Assess IT general controls & related elements of control environment	May/June	Director/Manager	
Perform preliminary analysis of balances & activity	May/June	Director/Manager	
Interview key management & review key documents (minutes, agreements, etc.)	May/June	Partner/Director/Manager	
Provide pre-audit communications to those charged with governance	May/June	Partner	
Audit Design & Gathering Evidence			260
Meet with management to discuss needs & reconfirm commitments	July	Director/Manager	
Tailor our audit approach for risks & circumstances	July	Partner/Director	
Perform Single Audit testing	August/September	Audit Team	
Gather evidence related to the significant accounts & disclosures in the financial statements	August/September	Audit Team	
Reviewing the Work			40
Submit completed work to engagement executive & quality reviews to assess completeness & accuracy	September	Audit Team	
Finalize drafts & core documentation to review with management	October	Partner/Director	
Sharing Our Results			20
Deliver drafts of materials	October	Partner	
Meet with management at the completion of primary work production	October	Partner/Director	
Finalize financial statements & other letters or materials	November	Audit Team	
Presentation to the governing board	November	Partner/Director	
TOTAL HOURS			400

Enhancing Our Services with Technology

People and their judgement and skills make the biggest difference in our services, but when our teams have access to and leverage technology effectively, we can enhance our delivery results. Ultimately, we work to deploy the right solutions that fit the needs of each client, but that requires a deep bench of technology solutions. Our audit, tax, and consulting teams each have innovation leadership and significant project teams dedicated to advancing our capabilities in these areas.

The following are some of those technologies that may impact your services along with discussion demonstrating how FORVIS is a leader in these areas.

Getting & Using Data

A significant challenge for some clients can be providing the reporting and data required for our services. Solutions we use include:

- Providing a proprietary online client portal and collaboration site for sharing requests and exchanging documents
- Using market-leading ingestion software to directly connect with certain general ledger packages to obtain required transaction detail with limited client effort and reduced additional requests

Efficient Analysis

While still in its infancy, technologies such as artificial intelligence (AI) are being leveraged along with other tools to efficiently analyze increasing volumes of data. Our efforts with data analytics, including AI, include:

- Training data champions who are using market-leading quantitative data analytics tools to not just ingest data, but to analyze and identify anomalies or unexpected results
- Leveraging market-leading software that uses language processing and machine learning to help our analysis of written documents, such as leases, contracts, acquisition contracts, and debt agreements
- Identifying new tools to increase efficiencies

Workflows & the Cloud

Many firms rely on outdated software or manual approaches to executing their work, while FORVIS is building or buying new tools to speed our efforts and better manage our delivery to clients. Our approaches include:

- Investing significant talent and financial support with the AICPA and a number of other large firms to help build an audit technology designed to transform our practice and our ability to serve our clients in the future
- Using market leading tools and building our own proprietary solution to deliver a better client experience through cloud-based questionnaires, integrated risk assessment, and response workflows that better enable us to execute our engagements and deliver results to our clients
- Increasing automation of our workflow and redundant tasks through robotic process automation (RPA) and application programming interfaces (API)

d. Type and extent of analytical procedures to be used in the engagement

Analytical procedures involve auditing a material assertion or account balance by investigating its relationship to an expectation such as other accounts, historical trends, or other related measures. FORVIS recognizes stronger analytical procedures can help reduce or eliminate other substantive procedures that are usually more time consuming. We would typically consider:

- **Ratio analysis** – comparing relationships among account balances, ratios, nonfinancial data, budgets, or industry averages
- **Reasonableness tests** – using financial and/or nonfinancial data to develop an expectation of an account balance

Successfully using analytical procedures requires auditors to ask the questions:

- What is the risk of material misstatement
- How would we find those misstatements
- Have I gathered enough audit evidence

When analytical procedures provide sufficient evidence, other substantive audit procedures should not be necessary. If analytical procedures are not sufficient, some combination of analytical and substantive procedures is likely to be the preferred approach.

e. Approach to obtain and document your understanding of the Health District's internal control structure

Understanding your operations and the design of your controls helps create an effective and efficient audit process. When performing our first audit, this effort is more substantial. There are several data sources we intend to use, including your prior auditor.

Our first objective is to identify those resources that might advance our understanding without extra effort on your part. If you have documentation of your organizational structure, control environment (including technology), and the controls you have in place, along with any testing of those controls, we can often just read and supplement that information as needed. Even when clients have effective controls, their documentation is often limited, so additional effort may be required. When starting with limited documentation, we will:

- Perform a risk assessment using your financial statements to identify the relevant areas for documenting our understanding and related testing; while we want to understand your operations, it isn't necessary for us to document every control, particularly when a control is not related to a significant audit area
- Ask you to complete industry-specific questionnaires that summarize your control structure; you might complete these forms directly or we may interview you to guide the process, or some combination of both; this process includes understanding your information system and related controls
- Identify who performs or can perform control activities; we can use industry-based assignment of duties forms to capture those assignments
- Assess and/or identify key controls you have in place for significant areas of risk we will look for gaps in your design and potential overlapping assignments of duties that could or should be segregated
- Perform limited tests of design effectiveness of control activities; these tests will help us evaluate whether our documentation matches the activities occurring
- Consider extended tests of controls; in some cases, your information may be so complex or voluminous that extended control testing is needed to rely on your control and reduce other substantive testing in our audit

- Summarize recommendations for your consideration; for minor deficiencies or suggestions, we may discuss changes during our audit; for others, including significant deficiencies or material weaknesses, we will prepare written recommendations for your consideration
- In periods following our first audit, the majority of our understanding and documentation will be complete; going forward, we focus on changes that have occurred and continue performing tests of design effectiveness or expanded testing to evaluate whether control design has remained the same

f. Approach to determine laws and regulations that will be subject to audit test work

Identification of applicable laws and regulations will begin with an inquiry of the Health District as to your understanding of applicable laws and regulations. In addition, our reviews of various documents, indentures, agreements, etc., will be designed to encompass known laws and regulations within the scope of the audit. We are experienced in auditing healthcare organizations in the state of Nevada and are familiar with the laws and regulatory environment in which you operate.

g. Approach to select audit samples for tests of compliance

Although it is not possible to set absolute rules for identifying sample sizes, we apply our professional judgment in identifying the appropriate sample size. The objective is to test the population to obtain reasonable confidence that the test objectives have been met. Sample sizes are controlled by the following considerations:

- **Tolerable error (precision)** – as the expected monetary conclusion becomes more critical, sample size should increase to tighten the range of the extrapolated estimate
- **Significance of the account to the financial statements** – as the significance increases, sample size should increase
- **Assessment of internal control risk** – as assessed risk is reduced, sample size for substantive tests should decrease
- **Extent of other substantive audit procedures related to same audit objective (tests of detail, as well as analytical review)** – as the extent of other procedures increase, sample size should decrease
- **Frequency and magnitude of expected errors** – as the frequency and magnitude of expected errors increase, sample size should increase
- **The size of the population to be sampled and whether a sample is appropriate**

We anticipate using certain data extraction tools in selecting and testing samples or complete populations, where appropriate. These effective tools allow us to efficiently test larger amounts of data.

3. Identify any anticipated potential audit problems, your firm's approach to resolving these problems and any special assistance that will be requested from the Health District.

While we do not anticipate significant audit problems, we understand the importance of good channels of communication with key engagement team members to facilitate the discussion of issues that may arise. Once we begin final fieldwork, we would ask for management's participation in weekly progress meetings that would facilitate such communication and allow for timely identification and response to problems that may be encountered.

4. Describe your firm's approach to and understanding of the provision of technical assistance and advice concerning accounting and auditing issues that may arise during the audit.

When accounting issues arise, e.g., potential errors or interpretation differences, communication becomes even more important. Our communication process essentially consists of the following actions:

- **Coming to You First** – we will make you aware of the potential issue, even if we may not yet have all the facts to result in a conclusion
- **Understanding Your Analysis** – we will listen to your analysis of the facts that led to the accounting decision or disclosures considered
- **Seeking Help** – In addition to the immediate team's research, we may reach out to others with specialized industry or service experience to provide guidance and may consult with regional and national resources to evaluate the issue as required
- **Finding the Appropriate Resolution** – we will share the facts as we have them, the guidance we have used and the conclusions we think are appropriate for resolution

Your engagement executive, Partner Chris Clark, is responsible for communicating accounting and audit-related issues with management and will take the lead on any significant accounting matters.

5. Describe your firm's approach to the level and amount of accounting staff support necessary to complete the work.

In working with similar clients, we have developed efficient approaches that aim to avoid wasted effort. Your participation helps control costs, reduce unnecessary disruptions, and meet deadlines.

We need your team to maintain records in good condition, provide the necessary schedules, and cooperate with our audit team. Most clients routinely prepare these records and schedules during their normal monthly or annual closing process.

Specific assistance from your personnel may include:

- Preparing a complete and accurate general ledger trial balance by account, to which very few adjustments are needed
- Preparing accurate audit schedules to support all significant balance sheet and certain other accounts
- Responding to auditor inquiries
- Preparing confirmation and other letters
- Pulling selected invoices and other documents from files
- Helping to resolve any differences or exceptions noted
- Completing documentation of internal controls
- Completing financial statements and footnote information

We will provide a list of the needed schedules well in advance of any deadlines, as well as spreadsheet templates for many of these schedules. We also will meet with your staff, as needed, to help them clearly understand what we need.

Tab 6 – Other References

Describe your recent (within the past three (3) years) local/regional auditing experience like this RFP for three (3) clients. For each audit engagement, provide the principal client contact's name, phone number and email address. These references are in addition to those listed in the section titled Similar Engagements with Other Government Entities.

Community Health Care, Inc. *Confidential*

Davenport, Iowa
Mr. Kevin Hagedorn
Chief Financial Officer
563.336.3005
khagedorn@chcqca.org

Legacy Community Health *Confidential*

Houston, Texas
Mr. Ben Gilsan
Chief Financial Officer
832.769.9835
bgilsan@legacycommunityhealth.com

Hawaiian Island CHC *Confidential*

Kailua Kona, Hawaii
Ms. Diane Pautz
Chief Financial Officer
808.326.3883
DPautz@westhawaii.chc.org

“

Terms that come to mind when thinking of BKD include: knowledgeable, responsive, professional, forward thinking, reasonable, respected and trusted. Also, BKD has always been very fair and reasonable in the way they price their services which is important in a long term relationship.

Brian S. Kline
Penn Highlands Healthcare
BKD Legacy Client

Tab 7 – Additional Data & Other Information

Provide any additional information considered essential to your proposal. If no additional information is presented, indicate, "We wish to present no additional information."

Independence

To the best of our knowledge, FORVIS is independent with respect to the Health District as defined by:

- The Code of Professional Conduct of the American Institute of CPAs (AICPA)
- U.S. Government Accountability Office's Government Auditing Standards

We are not aware of any relationship that would impair our independence.

Thinking of Your Future

In addition to the Health District's requested service, FORVIS has an extensive variety of service offerings that could be relevant to you now or in the future. If the need arises, we believe the following service(s) could benefit the Health District. If you would like more information, please contact Chris Jones at your convenience.

Cost Report Preparation

FORVIS works on cost reports and reimbursement issues with health systems, large urban medical centers, rural hospitals, CHCs, skilled nursing facilities, home care agencies, and other providers. We can put our reimbursement experience to work for the Health District. Our experience is recognized by Medicare Administrative Contractors, state and national healthcare associations, and industry leaders.

Our cost report preparers, reviewers, and reimbursement professionals are dedicated to working in the healthcare industry and have a solid understanding of Medicare and Medicaid reimbursement. Many of our team members previously worked for Medicare contractors.

Pharmacy & 340B Drug Pricing Program Assistance

Section 340B of the Public Health Service Act has become even more important to many healthcare providers as they seek ways to manage the cost of outpatient drugs. Since the program can result in savings of up to 20 to 50 percent for Medicare participating providers, you need a firm with significant Medicare reimbursement experience to help you take advantage of the benefits of the 340B Program.

FORVIS can help the Health District:

- Fulfill Office of Pharmacy Affairs (OPA) requirements
- Research other opportunities for additional savings, e.g., the 340B Prime Vendor Program and establishing relationships with contracted pharmacies
- Install a split-billing vendor
- Perform procedures to help the Health District analyze potential compliance concerns
- Perform additional procedures so the Health District has controls in place to help maintain compliance with the pending OPA requirements
- Identify whether current contract pharmacy relationships are performing at expected potential
- Implement an internal audit function or review of current internal audit processes/procedures being performed

- Analyze current structure of the 340B Program
- Evaluate compliance requirements through an agreed-upon procedures engagement
- Address Health Resources and Services Administration (HRSA) audit response, self-disclosures, and corrective action plans

Tab 8 – Execution of Offer

ATTACHMENT B Execution of Offer

This Execution of Offer must be completed, signed, and included in proposal. Failure to complete, sign, and include this Execution of Offer with proposal may result in rejection of the proposal.

- A. By signature hereon, Proposer (Audit firm) represents and warrants that:
1. Audit firm has the necessary experience, knowledge, abilities, skills, and resources to perform all the services requested in this RFP.
 2. Audit firm is aware of, is fully informed about, and is in full compliance with all applicable federal, state, and local laws, rules, regulations, and ordinances.
 3. Audit firm, if selected, will provide (a) copies of all insurance policies, (b) a Certificate of Insurance reflecting the insurance companies that are providing coverage and insurance limits for Commercial General Liability, Workers' Compensation, Professional Liability and Auto Liability, and (c) copies of all applicable policies and endorsements.
 4. Audit firm acknowledges that (a) all statements, information and representations prepared and submitted in response to this RFP are current, complete, true, and accurate, and (b) the Health District will rely on such statements, information, and representations in selecting the successful Audit firm. Audit firm, if selected, will immediately notify the Health District of any material change in any statement, representation, or information provided.
- B. Audit firm offers and agrees to furnish the products, services, and price more particularly described in its proposal to the Health District and complies with all terms, conditions, requirements, and specifications set forth in this RFP.
- C. Audit firm affirms that it has not given or offered to give, nor does Audit firm intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with its submitted proposal.
- D. Audit firm hereby certifies that neither Audit firm nor any firm, corporation, partnership, or institution represented by Audit firm, or anyone acting for such firm, corporation, or institution, has violated the antitrust laws of the State of Nevada, or the Federal antitrust laws, nor communicated directly or indirectly the proposal made to any competitor or any other person engaged in such line of business.
- E. Audit firm certifies that the individual signing this document and any related RFP documents is authorized to sign such documents on behalf of Audit firm and to bind Audit firm under any agreements and other contractual arrangements that may result from the submission of Audit firm's proposal.
- F. Audit firm certifies that if a Nevada address is shown as the address of the Audit firm, Audit firm qualifies as a Nevada Resident Audit firm as defined in [NRS 628](#).

- G. Audit firm certifies that (a) no relationship, whether by blood, marriage, business association, capital funding agreement or by any other such kinship or connection exists between the owner of any Audit firm that is a sole proprietorship, the officers or directors of any Audit firm that is a corporation, the partners of any Audit firm that is a partnership, the joint ventures of any Audit firm that is a joint venture or the members or managers of any Audit firm that is a limited liability company, on one hand, and an employee of any the Health District's component, on the other hand, other than the relationships which have been previously disclosed to the Health District in writing, and (b) Audit firm has not been an employee of any component institution of the Health District within the immediate twelve (12) months prior to the Submittal Deadline. All disclosures by Audit firm in connection with this certification will be subject to administrative review and approval before the Health District executes a contract with Audit firm.
- H. Audit firm shall disclose and has disclosed as part of its proposal any exceptions to the certifications stated in the Execution of Offer. All such disclosures will be subject to administrative review and approval prior to the Health District's award or execution of a contract with Audit firm.

Authorized Signature:  Date: February 13, 2023
Printed Name and Title: Partner Christopher A. Jones, CPA
Phone: 480.834.6030 Email: chris.jones@forvis.com

Tab 9 – Cost Proposal

Please see our separately attached Pricing Form for FORVIS' proposed fees.

The proposed fees are inclusive of the financial statement audit and single audit. The single audit fee estimate is based on the number of major programs indicated in Attachment C. If the number of major programs increases or decreases, the fee will be increased or reduced accordingly.

The proposed fees are also inclusive of an administrative fee of 5 percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases, and similar expense items.

Our fees may increase if our duties or responsibilities change because of new rules, regulations, and accounting or auditing standards.

Appendix

AICPA Peer Review Letter



National Peer
Review Committee

December 11, 2020

Theodore Dickman
BKD, LLP
810 E Saint Louis ST Ste 400
Springfield, MO 65806-2570

Dear Theodore Dickman:

It is my pleasure to notify you that on December 11, 2020, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Michael Feeley".

Michael Feeley
Chair, National PRC
+1.919.402.4502

cc: Candace Wight, L. Bennett

Firm Number: 900010002800

Review Number: 577534

330 Leigh Farm Road, Durham, NC 27707-8118
T: +1.919.402.4502 F: +1.919.419.4713
aicpa.org | cimglobal.com | aicpa.org | cima.org

BKD Peer Review Report



8550 United Plaza Blvd., Ste. 1001 — Baton Rouge, LA 70809
225-322-4600 Phone — 225-322-4611 Fax — pncpa.com

Pestlethorpe & Netterville and Associates, L.L.C.

Report on the Firm's System of Quality Control

To the Partners of BKD, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/peerreview. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remedialing weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selection and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; an audit of a broker-dealer; and examinations of service organizations (SOC 1 and SOC 2 engagements).

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BKD, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiencies* (*pass*) or *fail*. BKD, LLP has received a peer review rating of *pass*.

Pestlethorpe & Netterville

Baton Rouge, Louisiana
November 2, 2020

About FORVIS

FORVIS

An Enhanced Professional Services Firm

What's going to happen tomorrow? You can't predict the future, but you can prepare for it. To thrive in an environment that moves faster every day, business leaders must be able to look ahead and be ready for what comes next.

That's where FORVIS can help. Driven by the desire to anticipate what's next in the economic landscape, our goal is to help our clients be ready when the future becomes the present. We're committed to using our exceptional vision to provide each of our clients with an **Unmatched Client Experience™** that drives business forward.

FORVIS was created by the merger of equals between BKD and DHG. We aim to carry on our respective legacies of high-touch personal service delivered with remarkable integrity, care, and innovation—all now backed by the resources of a top 10 U.S. public accounting firm.



With national coverage and international presence, we're stronger: for our clients, our people, and the market of the future.



Forward Vision Drives Our Unmatched Client Experiences

As a FORVIS client, you will benefit from a single organization with the enhanced capabilities of an expanded national platform, deepened industry experience, greater resources, and innovative advisory services. Our aim is to provide assurance, tax, and advisory services that help clients succeed today while preparing them to forge ahead into a clear future.

Our eye on the future isn't exclusively directed toward our clients. We want our people—at every level, in every office—to be motivated by engaging career paths that challenge and inspire them to grow personally and professionally. Our partners and staff are the foundation of the firm, and when they have the opportunity to flourish, the result is Unmatched Client Experiences.

We are FORVIS—driven by a commitment to anticipating what's ahead so our clients are ready to thrive when it arrives.



Tom Watson
Chief Executive Officer



8th

Largest U.S. Firm*

530+

Partners & Principals

28

States + U.K. & Cayman Islands**

10+

Industries

5,700+

Team Members

72

Markets



FORVIS is a member of Praxity™, an international alliance of independent accounting firms that offers additional client access to resources around the world.
* FORVIS was ranked number eight on Inside Public Accounting's 2022 annual ranking of accounting firms by revenue.
** Services outside the United States are provided through our subsidiaries and/or affiliates.

FORVIS

FORVIS is a trademark of FORVIS, LLP registration of which is pending with the U.S. Patent and Trademark Office

FORVIS™



A PROPOSAL FOR

Southern Nevada Health District

23RFP004 Cost Proposal

Your Investment

Proposed Fees

Our goal is to be candid, timely, answer your questions about fees upfront, and avoid fee surprises. We determine our fees by evaluating a number of variables: the complexity of the work, the project's scope, the time we will spend, and the level of professional staff needed. The proposed fee is inclusive of billed travel costs and an administrative fee of 5%. This fee covers items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases, and similar expense items.

Our fees may increase if our duties or responsibilities change because of new rules, regulations, and accounting or auditing standards. We will consult with you should this happen.

These fees do not include any time that may be required to address a restatement of previously audited financial statements. Accordingly, any such work will be billed based on our hourly rates.

Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. The information provided in this proposal is intended for informational purposes only and may not be copied, used, or modified, in whole or in part, without FORVIS' prior written approval. All information in this proposal is as of November 1, 2022, including projected statistics for FORVIS, unless otherwise noted.

**ATTACHMENT C
Pricing Form**

Complete and submit Attachment C signed by Proposer's authorized representative. The Total All-Inclusive Maximum Price shall contain all direct and indirect costs including all out-of-pocket expenses necessary to provide the scope of services required per this RFP. The hourly billing rates are requested apart from the Total All-Inclusive Maximum Price.

A. Total All-Inclusive Maximum Price

Year 1 (2023-23 Audit)	\$ <u>124,000</u>
Number of Single Audit Major Programs Included: <u>5</u>	
Cost for each additional Major Program \$ <u>7,500</u>	
Optional Year 2 (2023-24 Audit)	\$ <u>126,000</u>
Optional Year 3 (2024-25 Audit)	\$ <u>130,000</u>
Optional Year 4 (2025-26 Audit)	\$ <u>135,000</u>
Optional Year 5 (2026-27 Audit)	\$ <u>141,000</u>

B. Hourly Billing Rates

<u>Position</u>	<u>Rate</u>
Partner	\$ <u>450-550</u>
Manager	\$ <u>275-350</u>
Supervisor	\$ <u>225-275</u>
Senior	\$ <u>175-225</u>
Junior	\$ <u>125-175</u>
Other: <u>Director</u>	\$ <u>350-425</u>

Authorized Signature:  Date: February 13, 2023
 Printed Name and Title: Partner Christopher A. Jones, CPA
 Phone: 480.834.6030 Email: chris.jones@forvis.com

FORVIS

FORVIS is a trademark of FORVIS, LLP registration of which is pending with the U.S. Patent and Trademark Office.