

**SERVICE CONTRACT**

This **SERVICE AGREEMENT** (“Agreement”) is made and entered into by and between the **CITY OF BURLESON** (the “City”), a home rule municipal corporation situated in portions of Tarrant and Johnson Counties, Texas and **WEAVER AND TIDWELL, LLP** (“Contractor”).

***WITNESETH:***

**WHEREAS**, City and Contractor desire to enter into a contract by which Contractor will provide **professional auditing services**; and

**WHEREAS**, City desires to compensate Contractor for Contractor’s services as provided herein.

**NOW, THEREFORE**, City hereby engages the services of Contractor, and in consideration of the mutual promises herein contained, the parties agree as follows:

**1. SCOPE OF SERVICES.**

Contractor shall provide during the term of this Agreement services as set forth in the bid document labeled RFP 2021-016. The Statement of Work attached as Exhibit “A”, attached hereto and incorporated herein by reference for all purposes, issued against and subject to the terms and conditions of this Agreement (“Statement of Work”).

**2. TERM.**

The term of this Contract is active for three years starting from the date this agreement is executed with the option to extend two additional years. This Agreement may be terminated by the parties as provided herein.

**3. COMPENSATION.**

Invoices shall contain a detailed breakdown to include: task or deliverables to the City and date provided for the billing period, the amount billed for each task or deliverable, and the total amount due.

Payment for services rendered shall be due within thirty (30) days of the uncontested performance of the particular services so ordered and receipt by City of Contractor’s invoice for payment of same. In the event of a disputed or contested billing, only that portion so contested may be withheld from payment, and the undisputed portion will be paid. No interest will accrue on any contested portion of the billing until mutually resolved. City will exercise reasonableness in contesting any billing or portion thereof.

**4. TERMINATION.**

**4.1. Written Notice.**

The City may terminate this Agreement at any time and for any reason by providing the other party with 30 days written notice of termination.

**4.2. Non-appropriation of Funds.**

In the event no funds or insufficient funds are appropriated by the City in any fiscal period for any payments due hereunder, City will notify Contractor of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to the City of any kind whatsoever, except as to the portions of the payments herein agreed upon for which funds shall have been appropriated.

4.3 Duties and Obligations of the Parties.

In the event that this Agreement is terminated prior to the termination date, the City shall pay Contractor for services actually rendered or Contractor shall reimburse the City for services paid for but not actually rendered, up to the date of notice of termination.

5. INDEMNIFICATION.

CONTRACTOR AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY AND ITS RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM OR VIOLATIONS FOR WHICH RECOVERY OF DAMAGES, FINES, OR PENALTIES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY CONTRACTOR'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS CONTRACT, VIOLATIONS OF LAW, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, INTENTIONAL, OR STRICTLY LIABLE ACT OR OMISSION OF THE CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, INVITEES, SUBCONTRACTORS, OR SUB-SUBCONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS, OR REPRESENTATIVES, OR ANY OTHER PERSONS OR ENTITIES FOR WHICH THE CONTRACTOR IS LEGALLY RESPONSIBLE IN THE PERFORMANCE OF THIS CONTRACT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF THE CITY, AND ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS. THE CITY DOES NOT WAIVE ANY GOVERNMENTAL IMMUNITY OR OTHER DEFENSES AVAILABLE TO IT UNDER TEXAS OR FEDERAL LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

CONTRACTOR AT ITS OWN EXPENSE IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS. CITY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, CITY IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY CITY IS NOT TO BE CONSTRUED AS A WAIVER OF CONTRACTOR'S OBLIGATION TO DEFEND CITY OR AS A WAIVER OF CONTRACTOR'S OBLIGATION TO INDEMNIFY CITY PURSUANT TO THIS AGREEMENT. CONTRACTOR SHALL RETAIN DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF CITY'S WRITTEN NOTICE THAT CITY IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF CONTRACTOR FAILS TO RETAIN COUNSEL WITHIN THE REQUIRED TIME PERIOD, CITY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF AND SHALL BE LIABLE FOR ALL COSTS INCURRED BY THE CITY.

## 6. MISCELLANEOUS PROVISIONS.

**6.1 Right to Audit.** Contractor agrees that the City shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of the Contractor involving transactions relating to this Agreement at no additional cost to the City. Contractor agrees that the City shall have access during normal working hours to all necessary Contractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The City shall give Contractor reasonable advance notice of intended audits.

**6.2 Independent Contractor.** It is expressly understood and agreed that Contractor shall operate as an independent contractor as to all rights and privileges granted herein, and not as agent, representative or employee of the City. Subject to and in accordance with the conditions and provisions of this Agreement, Contractor shall have the exclusive right to control the details of its operations and activities and be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors and subcontractors. Contractor acknowledges that the doctrine of *respondeat superior* shall not apply as between the City, its officers, agents, servants and employees, and Contractor, its officers, agents, employees, servants, contractors and subcontractors. Contractor further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between City and Contractor.

**6.3 Government Function Clause.** All parties agree that this contract is one wherein the City is solely performing a governmental function.

**6.4 Compliance with Laws.** Contractor agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations. If the City notifies Contractor of any violation of such laws, ordinances, rules or regulations, Contractor shall immediately desist from and correct the violation.

**6.5 Non-Discrimination Covenant.** Contractor, for itself, its personal representatives, assigns, subcontractors and successors in interest, as part of the consideration herein, agrees that in the performance of Contractor's duties and obligations hereunder, it shall not discriminate in the treatment or employment of any individual or group of individuals on any basis prohibited by law. If any claim arises from an alleged violation of this non-discrimination covenant by Contractor, its personal representatives, assigns, subcontractors or successors in interest, Contractor agrees to assume such liability and to indemnify and defend the City and hold the City harmless from such claim.

**6.6 Assignment and Subcontracting.** Neither party may assign or subcontract any of its duties, obligations or rights under this Agreement.

**6.7 Notice.** Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, or (2) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

To CITY:

City of Burleson  
Attn: City Manager  
141 W. Renfro St.  
Burleson, TX 76028

To CONTRACTOR:

Weaver and Tidwell, LLP  
Attn: Jackie Gonzalez, CPA  
2821 West Seventh Street, Suite 700  
Fort Worth, Texas 76107

**6.8 Governmental Powers.** It is understood and agreed that by execution of this Agreement, the City does not waive or surrender any of its governmental powers.

**6.9 No Waiver.** The failure of the City or Contractor to insist upon the performance of any term or provision of this Agreement or to exercise any right granted herein shall not constitute a waiver of the City's or Contractor's respective right to insist upon appropriate performance or to assert any such right on any future occasion.

**6.10 Governing Law and Venue.** This Agreement shall be construed in accordance with the internal laws of the State of Texas. If any action, whether real or asserted, at law or in equity, is brought on the basis of this Agreement, venue for such action shall lie in state courts located in Johnson County, Texas or the United States District Court for the Northern District of Texas.

**6.11 Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

**6.12 Force Majeure.** The City and Contractor shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control (force majeure), including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, pandemics, epidemics, material or labor restrictions by any governmental authority, transportation problems and/or any other similar causes.

**6.13 Heading Not Controlling.** Headings and titles used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

**6.14 Review of Counsel.** The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or exhibits hereto.

**6.15 Amendment and Modification.** No extension, modification or amendment of this Agreement shall be binding upon a party hereto unless such extension, modification, or amendment is set forth in a written instrument, which is executed by an authorized representative and delivered on behalf of such party.

**6.16 Entirety of Agreement.** This Agreement, including the schedule of exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and

agreement between the City and Contractor, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement.

**6.17 Signature Authority.** The person signing this agreement hereby warrants that he/she has the legal authority to execute this agreement on behalf of the respective party, and that such binding authority has been granted by proper order, resolution, ordinance or other authorization of the entity. The other party is fully entitled to rely on this warranty and representation in entering into this Agreement.

**6.18 No Waiver of Governmental Immunity.** Nothing contained in this Agreement shall be construed as a waiver of City's governmental immunity, or of any damage caps or limitations imposed by law, or any other legal protections granted to City by law, except to the extent expressly provided or necessarily implied herein.

**6.19 Mandatory Ownership Disclosure Provision.** If required by law, Contractor shall submit completed Texas Ethics Commission Form 1295 Ownership Disclosure form to City at time of execution of Agreement pursuant to Texas Government Code Section 2252.908.

**6.20 Non-Exclusivity.** Agreement is non-exclusive and City may enter into a separate Agreement with any other person or entity for some or all of the work to be performed under Agreement.

**6.21 No Third-Party Beneficiaries.** Except as expressly provided herein, nothing herein is intended to confer upon any person other than the parties hereto any rights, benefits or remedies under or because of this Agreement, provided, however, that the described beneficiaries of the indemnity provisions of this Agreement are expressly intended third-party beneficiaries of this Agreement.

**6.22 Basic Safeguarding of Contractor Information Systems.** Contractor shall apply basic safeguarding requirements and procedures to protect the Contractor's information systems whenever the information systems store, process, or transmit any information, not intended for public release, which is provided by or generated for the City. This requirement does not include information provided by the City to the public or simple transactional information, such as that is necessary to process payments. These requirements and procedures shall include, at a minimum, the security control requirements "reflective of actions a prudent business person would employ" which are outlined in the Federal Acquisition Regulations FAR 52.204-21(b) and codified in the Code of Federal Regulations at 48 C.F.R. § 52.204-21(b) (2016).

**6.23 Survivability.** The terms of this Agreement, which by their nature one would reasonably intend to survive this Agreement shall survive it, including terms addressing fees and payment, confidentiality, immunity, representations and warranties, limitation of liability, and the applicable miscellaneous sections.

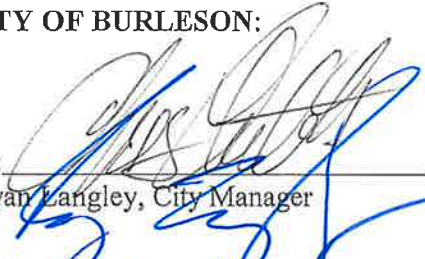
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**SIGNATURE PAGE**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement:

**CITY OF BURLESON:**

By:   
Bryan Langley, City Manager  
Date: 6/21/21

**Weaver and Tidwell, LLP**

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

**APPROVED AS TO FORM:**

By:   
City Attorney



June 15, 2021

Martin Avila, Director of Finance  
City of Burleson, Texas  
141 W Renfro Street  
Burleson, Texas 76028-4296

## STATEMENT OF WORK

Dear Mr. Avila:

The City of Burleson (the "City") and Weaver and Tidwell, L.L.P. entered into a *Service Agreement* pertaining to RFP 2021-016 ("Service Agreement"). This engagement letter constitutes a Statement of Work under that Service Agreement. It is attached to the Service Agreement and subject to the terms and conditions thereof.

You have requested that Weaver and Tidwell, L.L.P. ("Weaver", "our", "us", and "we") audit the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and for the year then ended and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. In addition, we will audit the City's compliance over major federal award programs for the period ended September 30, 2021.

Accounting principles generally accepted in the United States of America ("U.S. GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB") require that management's discussion and analysis and budgetary comparison information, among other items, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information ("RSI") in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedules
3. Schedule of Changes in Net Pension Liability and Related Ratios
4. Schedule of Contributions – Pension
5. Schedule of Changes in Total OPEB Liability and Related Ratios – Supplemental Death Benefits Fund
6. Schedule of Changes in Total OPEB Liability and Related Ratios – Health Care Benefit Plan

Supplementary information other than RSI will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the

Weaver and Tidwell, L.L.P.

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basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards
2. Non-major Governmental Funds:
  - i. Combining Balance Sheet
  - ii. Combining Statement of Revenues, Expenditures and Changes in Fund Balances
  - iii. Budgetary Comparison Schedules
3. Internal Service Funds:
  - i. Combining Statement of Net Position
  - ii. Combining Statement of Revenues, Expenditures and Changes in Net Position
  - iii. Combining Statement of Cash Flows

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

1. Introductory Section
2. Statistical Section

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material aspects, in conformity with U.S. GAAP and to report on the fairness of the supplementary information referred to above when considered in relation to the basic financial statements as a whole. The objective also includes reporting on internal control related to the basic financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the basic financial statements in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States of America ("GAGAS"); and internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

### **Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS, the standards applicable to financial audits contained in GAGAS, and the provisions of the Uniform Guidance. Those standards and the Uniform



Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of assets, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and GAGAS.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the basic financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Ms. Jackie Gonzalez is the engagement partner for the audit services specified in this letter, and is responsible for supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

We expect to begin our audit procedures in July 2021, and issue our report in March 2022. We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to the Mayor and City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions on the financial statements or compliance are other than unmodified, we will discuss the reasons

with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants that could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with the provisions is not an objective of our audit, and accordingly, we will not express such an opinion.

Our audit of the City's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the provisions of the Uniform Guidance; and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the City has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the City's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

In accordance with the requirements of GAGAS, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the City's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Management Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. for the preparation and fair presentation of the basic financial statements in accordance with the framework described in Audit Objectives above;

- b. for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, for fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
- c. to provide us with:
  - i. access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
  - ii. additional information that we may request from management for the purpose of the audit; and
  - iii. unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.
- d. for including the auditor's report, and our report on any supplementary information if described above, in any document containing the basic financial statements that indicates that such basic financial statements have been audited by the City's auditor;
- e. for identifying and ensuring that the City complies with the laws and regulations applicable to its activities;
- f. for adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
- g. for maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- h. for identifying all federal awards expended during the period including federal awards and funding increments received prior to December 26, 2014, and those received in accordance with the Uniform Guidance generally received after December 26, 2014;
- i. for preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- j. for the design, implementation, and maintenance of internal control over compliance;
- k. For identifying and ensuring that the City complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs;
- l. For following up and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- m. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
- n. For submitting the reporting package and data collection form to the appropriate parties;
- o. For making the auditor aware of any significant vendor relationships where the vendor is responsible for program compliance;

- p. with regard to the supplementary information referred to above: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon;
- q. informing us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the basic financial statements are issued;
- r. for confirming your understanding of your responsibilities in this letter to us in your management representation letter.

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If we agree herein or otherwise to perform any non-attest services (such as tax services or any other non-attest services), you agree to assume all management responsibilities for those services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. The entity has designated Martin Avila, Director of Finance to oversee these services. Such services include:

- i. Preparation of financial statements and related notes
- ii. Preparation of schedule of expenditures of federal awards
- iii. Assisting with entries to convert accounting records from modified accrual to full accrual (GASB 34 entries)
- iv. Preparation of the Data Collection Form

GAGAS require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a nonaudit/nonattest service.

During the course of our engagement, we will request information and explanations from management regarding the City's operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The City agrees that as a condition of our engagement to perform an audit that management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the audit and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the audit; or, worse, could cause a material error or a fraud to go undetected by our procedures.

### **Fees and Invoicing**

The maximum fee for this audit shall be as set forth in the attached *Cost Proposal for Professional Auditing Services (RFP 2021-016)* for the 2021 Audit (\$64,000).

Our invoices for this engagement will be rendered each month as work progresses. For invoices not paid within sixty (60) days of the invoice date and not contested by the City, a late charge will be added to the outstanding balance. The late charge will be assessed at a rate of half a percent (0.5%) on the unpaid balance per month. If invoices are not paid within one hundred twenty (120) days of the invoice date, the engagement will be placed on hold and we will stop work until the balance is brought current, or we may withdraw from the engagement (and any other engagements for the same client).

### **Ethical Conflict Resolution**

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will notify you of such conflict as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services.

The hiring of or potential employment discussions with any of our personnel could impair our independence. Accordingly, you agree to inform the engagement partner prior to any such potential employment discussions taking place.

### **Audit Documentation and Confidentiality**

The audit documentation we prepare pertaining to and in support of this engagement is our property and constitutes confidential information. If we are requested to make the audit documentation available to outside parties, except in the case of requests during our peer review (discussed below) or when prohibited by law or direction of law enforcement, any such requests will be discussed with you before we make the documentation available to the requesting parties.

We may be requested to make certain audit documentation (working papers) available to regulators and other government agencies, pursuant to authority given by law or regulation. You should understand that responding to many such requests is mandatory. In those cases, access to such working papers will be provided under our supervision and we may, upon their request, provide the regulator or agency with copies of all or selected working papers. The requesting party may intend or decide to distribute the copies or information contained therein to others, including other regulators or agencies. You will be billed for additional fees as a result of the aforementioned work.

Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years, we subject our system of quality control to an examination by another accounting firm. As part of this process, the firm conducting our peer review will review a sample of our work. It is possible that the work we perform for you may be selected for such a review. If it is, our peer review firm is bound by professional standards to keep all information confidential and we are required to provide the required information.

It is expected that prior to the conclusion of the engagement, sections of the Data Collection Form will be completed by our firm. The sections that we will complete summarize our audit findings by federal grant or contract. Management is responsible to submit the reporting package (defined as including basic financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. The instructions to the Data Collection Form require that the reporting package be

an unlocked, unencrypted, text searchable portable document file (PDF) or else it will be rejected by the Federal Audit Clearinghouse. We will be available to assist management in creating the PDF if needed.

We will coordinate with you the electronic submission and certification upon the reporting package completion. If applicable, we will provide copies of our report for you to include with the reporting package if there is a need to submit the package to pass-through entities.

The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of our reports or nine months after the end of the audit period.

We will retain our audit documentation for a period of at least seven years from the date of our report. You agree that following such period, we may destroy the audit documentation without notice to you.

To maintain independence, we will not act as the host of your financial or non-financial information or as your information back-up service provider. Instead, it is your responsibility to maintain a complete set of your financial and non-financial data and records. If some portion of your data and records is contained only within our files, you agree to inform us before the issuance of our report and we will provide that to you.

You may inform us of third-parties who will receive a copy of our audit report. Unless you inform us of such third-parties, we are not aware of who you intend to supply our audit report to and we do not anticipate other third-parties' reliance upon our professional services unless expressly stated herein.

During the course of the engagement, we may communicate via fax, email, or other electronic mechanism. Please be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

### **Miscellaneous**

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of the latest external peer review report of our firm for your consideration and files.

We may at times provide you with documents marked as drafts. You understand that those documents are for your review purposes only. You should not rely upon those documents in any way.

Although the engagement partner responsible for this engagement is a licensed certified public accountant, we inform you that we have nonlicensees who may provide services pertaining to this engagement.

If you intend to make reference to our firm or include our report or any portion of it in a published document or other reproduction, and that document or other reproduction includes a version of our report or the financial statements that is assembled differently than any version we provided you or audited, you agree to provide us with printers' proofs or masters for our review and approval before reproducing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our approval. This requirement does not pertain to distributing our report or the financial statements when you do not modify their assembly or in situations where you disseminate the audited financial statements as a standalone document, such as on your website.

Unless we provide you with written consent in advance of such use, the audited financial statements and our report are not intended to and should not be provided or otherwise made available for use in connection with the sale of debt or other securities. If, in our professional judgment, the circumstances require, we may withhold our consent.

City of Burleson, Texas  
June 15, 2021

Page 9 of 9

This engagement letter may not be amended or modified except by further writing signed by all the parties in accordance with the terms of this Services Agreement.

We appreciate the opportunity to assist you and look forward to working with you and your team.

Sincerely,

*Weaver and Tidwell, L.L.P.*

**WEAVER AND TIDWELL, L.L.P.**  
Fort Worth, Texas

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement as described herein, including each party's respective responsibilities. By signing below, the signatory also represents that they have been authorized to execute this agreement.

**City of Burleson, Texas**

Governance

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

Printed Name: \_\_\_\_\_

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

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

Management

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

Printed Name: \_\_\_\_\_

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

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



CPAs & BUSINESS ADVISORS

## Report on Firm's System of Quality Control

October 16, 2019

To the Partners of Weaver and Tidwell, L.L.P.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019. 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/prsummary](http://www.aicpa.org/prsummary). 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 remediating 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 Selections 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, an audit performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements.]

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

What inspires you, inspires us. | [eidebailly.com](http://eidebailly.com)

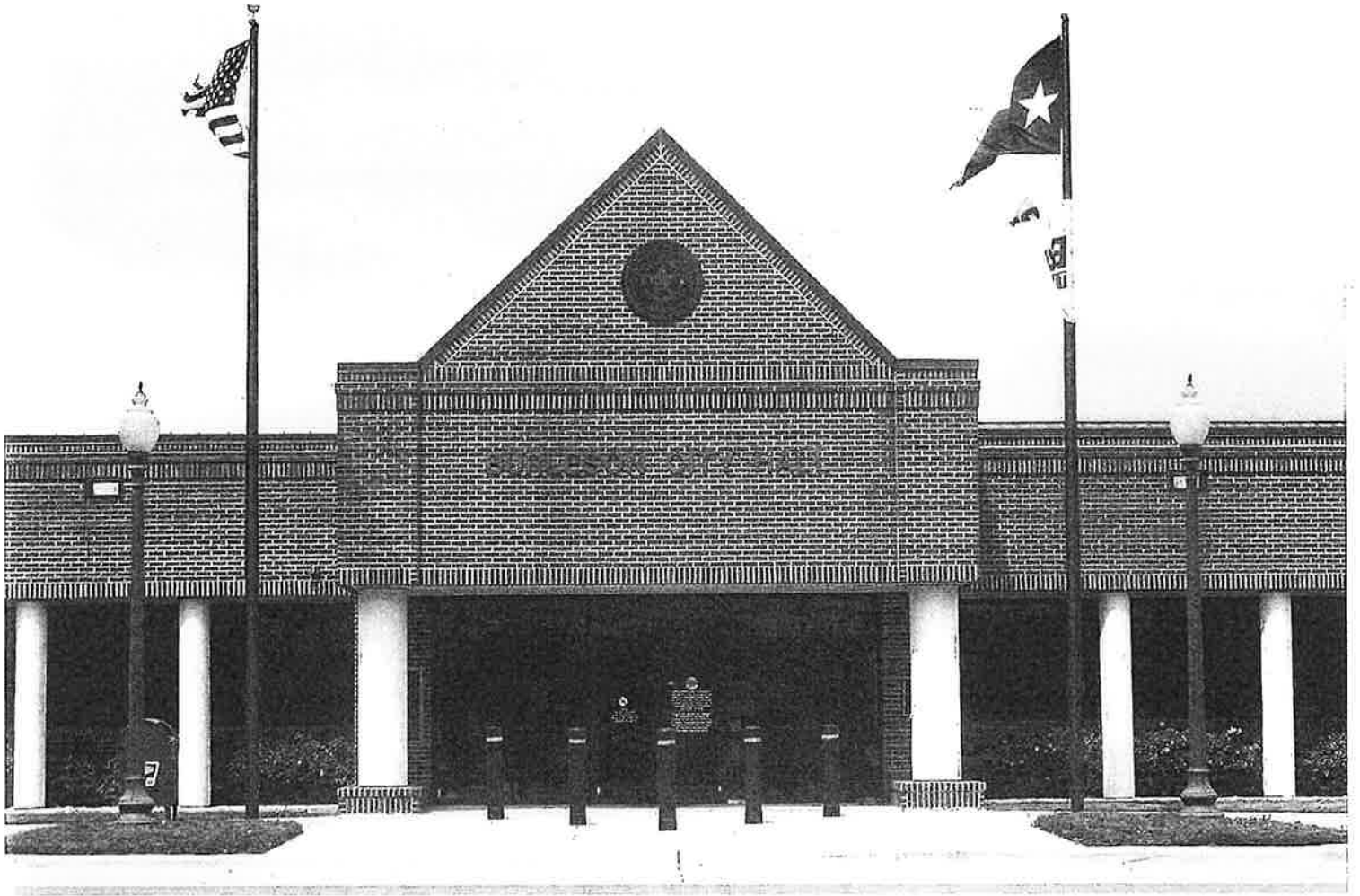


## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019, 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 deficiency(ies) or fail. Weaver and Tidwell, L.L.P. has received a peer review rating of pass.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP



# Cost Proposal for Professional Auditing Services (RFP 2021-016)

City of Burleson

June 15, 2021

Jackie Gonzalez, CPA | Partner, Assurance Services  
Weaver and Tidwell, L.L.P. | 2821 West 7th Street, Suite 700 | Fort Worth, Texas 76107 | [weaver.com](http://weaver.com)  
817.882.7758 | [jackie.gonzalez@weaver.com](mailto:jackie.gonzalez@weaver.com)





June 15, 2021

Mr. Justin Scharnhorst  
Purchasing Manager  
City of Burleson  
141 W. Renfro  
Burleson, Texas 76028

**RE: City of Burleson, Professional Auditing Services — Separate Cost Proposal**

Dear Mr. Scharnhorst and City leaders:

With this proposal, Weaver and Tidwell, L.L.P., (Weaver) commits to providing financial auditing services that meet the City of Burleson's needs as described in your Request for Proposal. The following is our cost proposal for providing financial audit services that meet your requirements.

Weaver prides itself on offering the capabilities of a much larger firm, combined with the responsiveness and personal touch you expect from a local firm. With our streamlined operations, we can provide the knowledge and experience you need, combined with a personal touch and individual attention.

**Maximum, Not-to-Exceed Price, Initial Term**

Year	Total Fees (Includes Comprehensive Annual Financial Report)
2021	\$64,000
2022	\$66,000
2023	\$68,500
2024	\$70,500
2025	\$72,650

**Our Investment in the Engagement**

The rates and fees presented here are all-inclusive: Weaver does not charge for out-of-pocket expenses, printing, report production, etc. Additionally, routine meetings and accounting advice in the ordinary course of business are considered part of our role as your business partner and are not charged as a separate fee. In fact, we encourage you to communicate with us throughout the engagement, and throughout the year, with routine questions.

As a Weaver partner, I hereby certify that I have read all items of the RFP and fully understand the requirements listed herein, and this proposal is a firm and irrevocable offer for 90 days. I certify that I am an authorized agent of the proposing auditor empowered to submit the bid and authorized to sign a contract with City of Burleson. If you have any questions regarding this proposal, please feel free to contact me directly at any time.

Sincerely,

Jackie Gonzalez, CPA | Partner, Assurance Services  
jackie.gonzalez@weaver.com

Weaver and Tidwell, L.L.P.  
2821 West 7th Street, Suite 700 | Fort Worth, Texas 76107  
Main: 817.332.7905



## Schedule of Professional Fees

### APPENDIX H

#### SCHEDULE OF PROFESSIONAL FEES AND EXPENSES 2021

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>40</u>	\$ <u>475</u>	\$ <u>280</u>	\$ <u>11,200</u>
Managers	<u>90</u>	\$ <u>375</u>	\$ <u>165</u>	\$ <u>14,850</u>
Supervisory Staff	<u>200</u>	\$ <u>260</u>	\$ <u>115</u>	\$ <u>23,000</u>
Staff	<u>160</u>	\$ <u>225</u>	\$ <u>105</u>	\$ <u>16,750</u>
Other (specify):		\$ _____	\$ _____	\$ _____
<hr/>				
Subtotal				\$ <u>64,800</u>
Out-of-Pocket expenses:				
Meals and Lodging				\$ <u>N/A</u>
Transportation				\$ <u>N/A</u>
Other (specify): <b>Add'l Discount:</b>				\$ <u>800</u>
<hr/>				
Total All-Inclusive Maximum price for 9/30/2021 audit				\$ <u>64,000</u>

Submittals must have year two and year three costs included. Vendors can use this page to itemize year two and year three. The costs must be uploaded in Bonfire using the total three year proposed cost.

**APPENDIX H**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES 2022**

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>40</u>	\$ <u>475</u>	\$ <u>288</u>	\$ <u>11,520</u>
Managers	<u>90</u>	\$ <u>375</u>	\$ <u>170</u>	\$ <u>15,800</u>
Supervisory Staff	<u>200</u>	\$ <u>260</u>	\$ <u>118</u>	\$ <u>23,600</u>
Staff	<u>150</u>	\$ <u>225</u>	\$ <u>108</u>	\$ <u>16,200</u>
Other (specify):		\$ _____	\$ _____	\$ _____
<hr/>				
Subtotal				\$ <u>66,620</u>
Out-of-Pocket expenses:				
Meals and Lodging				\$ <u>N/A</u>
Transportation				\$ <u>N/A</u>
Other (specify): <b>Add'l Discount:</b>				\$ <u>620</u>
Total All-Inclusive Maximum price for 9/30/2022 audit				\$ <u>66,000</u>

Submittals must have year two and year three costs included. Vendors can use this page to itemize year two and year three. The costs must be uploaded in Bonfire using the total three year proposed cost.

**APPENDIX H**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES 2023**

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>40</u>	\$ <u>475</u>	\$ <u>300</u>	\$ <u>12,000</u>
Managers	<u>90</u>	\$ <u>375</u>	\$ <u>175</u>	\$ <u>15,750</u>
Supervisory Staff	<u>200</u>	\$ <u>260</u>	\$ <u>120</u>	\$ <u>24,000</u>
Staff	<u>160</u>	\$ <u>225</u>	\$ <u>112</u>	\$ <u>16,800</u>
Other (specify):		\$ _____	\$ _____	\$ _____
<hr/>				
Subtotal				\$ <u>68,500</u>
Out-of-Pocket expenses:				
Meals and Lodging				\$ <u>N/A</u>
Transportation				\$ <u>N/A</u>
Other (specify): <b>Add'l Discount:</b>				\$ <u>50</u>
 Total All-Inclusive Maximum price for 9/30/2023 audit				 \$ <u>68,500</u>

Submittals must have year two and year three costs included. Vendors can use this page to itemize year two and year three. The costs must be uploaded in Bonfire using the total three year proposed cost.

**APPENDIX H 2024**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>40</u>	<u>\$ 310</u>	<u>\$</u>	<u>\$ 12,400</u>
Managers	<u>90</u>	<u>\$ 180</u>	<u>\$</u>	<u>\$ 16,200</u>
Supervisory Staff	<u>200</u>	<u>\$ 124</u>	<u>\$</u>	<u>\$ 24,800</u>
Staff	<u>150</u>	<u>\$ 115</u>	<u>\$</u>	<u>\$ 17,250</u>
Other (specify):	<u>          </u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<hr/>				
Subtotal				<u>\$ 70,650</u>
 Out-of-Pocket expenses:				
Meals and Lodging				<u>\$</u>
Transportation				<u>\$</u>
Other (specify): Discount				<u>\$ (150)</u>
 Total All-Inclusive Maximum price for 9/30/2021 audit				 <u>\$ 70,500</u>

Submittals must have year two and year three costs included. Vendors can use this page to itemize year two and year three. The costs must be uploaded in Bonfire using the total three year proposed cost.

**APPENDIX H 2025**

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	<u>40</u>	\$ <u>          </u>	\$ <u>320</u>	\$ <u>12,800</u>
Managers	<u>90</u>	\$ <u>          </u>	\$ <u>185</u>	\$ <u>16,650</u>
Supervisory Staff	<u>200</u>	\$ <u>          </u>	\$ <u>128</u>	\$ <u>25,600</u>
Staff	<u>150</u>	\$ <u>          </u>	\$ <u>118</u>	\$ <u>17,700</u>
Other (specify):	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>
<hr/>				
Subtotal				\$ <u>72,750</u>
Out-of-Pocket expenses:				
Meals and Lodging				\$ <u>          </u>
Transportation				\$ <u>          </u>
Other (specify): Discount				\$ <u>(100)</u>
Total All-Inclusive Maximum price for 9/30/2021 audit				\$ <u>72,650</u>

Submittals must have year two and year three costs included. Vendors can use this page to itemize year two and year three. The costs must be uploaded in Bonfire using the total three year proposed cost.





## Out-of-Pocket Expenses

Weaver's allocated engagement team is a Fort Worth-based team. We expect to incur minimal travel costs in the performance of the engagement. In the event other team members are brought in from other Weaver locations to assist in the engagement we will absorb these costs as our investment in the relationship.

Weaver does not charge for other out-of-pocket expenses such as report preparation or production.

## Rates for Additional Professional Services

Please note that Weaver's proposed price reflects a substantial discount, reflecting our sincere desire to work with the City.

We place significant value on our potential relationship with the City, which is why we're happy to provide the highly discounted rate above. These rates serve as a guide for estimating fees for any additional services you may request outside the agreed-upon scope of work. However, fees for any given engagement are ultimately determined based upon the timing of the work, its nature and associated risk, and our desire to serve you.

## Manner of Payment

Weaver will bill the City monthly as the engagement progresses.