



Financial Audit Services Contract

PRESENTED TO THE FINANCE COMMITTEE – 5/27/26

MICHAEL FRANKLIN, DEPUTY DIRECTOR OF FINANCE

Summary

■ **Audit Requirements**

- City Charter requires an annual independent audit and submittal of an annual financial report.
- State law provides that if a municipality's annual audit is not filed within 180 days of the fiscal year end, the City may be prohibited from adopting a property tax rate that exceeds the no-new-revenue tax rate. In addition, the City's Annual Comprehensive Financial Report is expected to be completed within the same 180-day timeframe in accordance with best practices. The City has met this benchmark for the past 34 years.

■ **Financial Policy**

- Requires solicitation of proposals for audit services at least every five years.
 - The current audit contract was executed in June 2021, the five-year maximum engagement has been fulfilled.

Request for Qualifications

- RFQ for financial audit services closed January 29, 2026.
 - Six CPA firms completed submissions and the top three in scoring were selected for 2nd round interviews.

Supplier	Total / 115 pts	Experience & Qualifications / 40 pts	Audit Team & Staffing Plan / 25 pts	Audit Approach & Responsiveness / 20 pts	References / 15 pts	Interview / 15 pts
Pattillo, Brown & Hill, L.L.P.	104	39	22	15.33	14.33	13.33
Forvis Mazars, LLP	102.67	39.33	21	16.33	14	12
Weaver and Tidwell, L.L.P.	96.67	39.33	19.67	16.33	12.33	9

- Pattillo, Brown & Hill L.L.P. was the highest scoring firm after interviews, and contract negotiations have been finalized pending Council approval.

Pattillo, Brown & Hill L.L.P.

■ Firm Background

- Waco based CPA firm established in 1923.
- Government audit practice works exclusively with state and local governments, currently serving over 100 governmental clients across Texas.
- Completed Burleson’s financial audit from fiscal years ending in 2008 through 2020.
- Proposed pricing for a three-year base term with two optional one-year extensions:

Fiscal Year	Financial Statement Audit	ACFR Preparation	*Single Audit (if required)	Total Not-to-Exceed
2026	\$60,150	\$5,000	\$7,500	\$72,650
2027	\$61,955	\$5,000	\$7,500	\$74,455
2028	\$63,813	\$5,000	\$7,500	\$76,313
2029	\$65,728	\$5,000	\$7,500	\$78,228
2030	\$67,699	\$5,000	\$7,500	\$80,199

*A single audit is required if the City spends over \$1 million in federal or state awards

- Weaver & Tidwell completed the FY2025 audit for \$72,650

Next Steps

- Contract for Financial Audit Services with Pattillo, Brown & Hill L.L.P. to go to Council on June 15th.

Questions / Comments

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