



Engagement Letter - Examination

February 15, 2023

To the Honorable Mayor, Members of City Council and Management
Sweeny, Texas 77480

We are pleased to confirm our understanding of services we are to provide for the City of Sweeny (the "City").

We will examine the compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") of the City as of September 30, 2022. The objectives of our examination are to (1) obtain reasonable assurance about whether the specified requirements are free from material misstatement based on the Requirements for an Alternative CSLFRF Compliance Examination Engagement; and (2) to express an opinion as to whether the specified requirements are presented in all material respects, in accordance with the Requirements for an Alternative CSLFRF Compliance Examination Engagement is fairly stated, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the Honorable Mayor and Members of City Council of the City. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express and opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

Lake Jackson

8 W Way Ct.
Lake Jackson, TX 77566
979-297-4075

El Campo

201 W. Webb St.
El Campo, TX 77437
979-543-6836

Angleton

2801 N. Velasco, Suite C
Angleton, TX 77515
979-849-8297

Bay City

2245 Avenue G
Bay City, TX 7741
979-245-9236



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We will plan and perform the examination to obtain reasonable assurance about whether the specified requirements are free from material misstatement, based on the Requirements for an Alternative CSLFRF Compliance Examination Engagement. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material error, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud or noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for the presentation of the specified requirements in accordance with the Requirements for an Alternative CSLFRF Compliance Examination Engagement; and for selecting the criteria and determining that such criteria are suitable, will be available to intended users and are appropriate for the purpose of the engagement. You are responsible for, and agree to provide us with a written assertion about whether the specified requirements are presented in accordance with the Requirements for an Alternative CSLFRF Compliance Examination Engagement. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

Wade Whitlow, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We expect to begin our examination on approximately February 22, 2023. We estimate that our fees for these services will be \$4,000. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personal and the assumption that unexpected circumstances will not be encountered during the examination. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered and payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

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We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy and return it to us.

Very truly yours,

KM&L, LLC

RESPONSE:

This letter correctly sets forth the understanding of the City.

By: _____

Title: _____

Date: _____