



City of Boerne, Texas

Request for Qualifications

RFQ No. 01-0725

External Audit Services

July 25, 2025

Patrick Simmons, CPA
Audit Partner

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Cover Letter

Cover Letter

July 25, 2025

City of Boerne
447 N. Main Street
Boerne, TX 78006

Omueller@ci.borne.tx.us

We are pleased to submit our qualifications in response to your Request for Qualifications (RFQ) No. 01-0725 to objectively provide external audit services for the City of Boerne, Texas (the "City") of its financial statements for the fiscal year ending September 30, 2025. We believe our proposal demonstrates our resources, governmental auditing experience and philosophy of providing superior service to our clients.

We are staffed to handle this project with appropriate speed and will commit the resources necessary to assist the Finance Department staff in an efficient and effective manner in order to meet the deadline. Our audit plan includes communication with your staff, management and the City Council on a year-round basis to maximize our value to the City.

Whitley Penn, established in 1983, has become one of the region's most distinguished accounting firms by providing exceptional service that reaches far beyond traditional accounting. Our firm is a regional firm with more than 850 people in Austin, Dallas, Fort Worth, Houston, Midland, Odessa, Plano, San Antonio, and Hobbs, New Mexico. The firm has consistently received high marks for its practice and management. The success of the firm allows us to bring qualified and experienced personnel to this and all of our governmental engagements. With a dedicated Public Sector team, Whitley Penn is qualified and ready to provide the requested services.

Our Public Sector staff has extensive experience with governmental auditing and financial reporting, federal and state program auditing and compliance, and dealing with federal and state agencies overseeing a wide variety of grants. We bring more than 35 years of broad based experience in government auditing and federal compliance. Whitley Penn is also a member of the Government Audit Quality Center (GAQC) of the American Institute of Certified Public Accountants (AICPA). Our Public Sector staff attends required training in accordance with the Government Accountability Office (GAO) guidelines for federal auditing, agreed upon procedures, and performance audits, a total of 40 instructional hours annually.

We appreciate the opportunity to serve the City and we look forward to meeting with you and discussing further our service philosophy, approach, and methodology. We hope to partner with you in fulfilling your fiduciary responsibilities by providing you with the highest level of service to better equip you to meet the challenges of the future.

Sincerely,



Patrick Simmons, CPA
Audit Partner
3737 Buffalo Speedway
Suite 1600
Houston, TX 77098
Patrick.Simmons@whitleypenn.com
Office: 713.403.3317
Cell: 409.771.5264

Experience and Qualifications

Firm Profile

Licensed to Practice in Texas

Whitley Penn and all key professional staff are properly registered/licensed to practice public accounting in the State of Texas. As a firm heavily involved in providing professional auditing and consulting services to a wide variety of governmental and nonprofit entities, our reports and work papers are always subject to review by both state and federal desk and field reviews. We have been successful in the past at receiving non-adverse desk and field reviews by stressing quality reviews and open and proactive communications with regulatory cognizant agents/agencies.

Independence

As auditors, we have a responsibility to maintain independence so that our opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. With this responsibility in mind, we confirm that Whitley Penn is independent of the City and its component units, including direct and indirect financial interest, as well as relationships of the proposed audit team to employees and City Council, as defined by both auditing standards generally accepted in the United States of America and *Government Auditing Standards (GAS)* issued by the Government Accountability Office (GAO).

Whitley Penn has not previously been engaged to perform any services for the City of Boerne or any of its agencies or component units for the past five years. This relationship does not constitute a conflict of interest relative to performing the proposed audit.

Whitley Penn will give the City written notice of any professional relationship entered into during the period of this agreement.

Conflict of Interest

Whitley Penn has no conflict of interest with regard to any other work performed by the firm for the City. We have included the Conflict of Interest Questionnaire (CIQ Form) on the following page of this proposal.

Peer Review Report

Whitley Penn has completed a peer review performed by a selected firm in accordance with the AICPA's SEC Practice Section requirements. This peer review covered the year ended April 30, 2024, and resulted in a rating of pass (unmodified). The review included engagements performed under the *Government Auditing Standards (GAS)*. We perform our internal inspections annually as required by program requirements. The frequency of peer reviews is every third year. We have included a copy of our most recent peer review letter on page 5 of this proposal. Whitley Penn has been a member of the AICPA's Governmental Audit Quality Center for more than 15 years.

Implementation of Recent GASB Pronouncements

Very few situations can cause undue stress and consternation to the audit and reporting process like unforeseen changes in accounting or auditing standards. These changes, which often seem to affect only the reporting or auditing function, usually end up adding significant burden to the day-to-day activities of the City's staff. We believe that a proactive approach to addressing these changes through dialogue and education helps to smooth out the potential bumps along the way. We will assist and guide the City in the implementation of any new Accounting Standards including implementation of GASB Statement No. 101, Compensated Absences. With the recent implementation of GASB 87, Leases, and GASB 96, Subscription-Based Information Technology Arrangements, we are available to assist in reviewing the calculation of new leases/SBITAs and reviewing journal entries for recurring leases/SBITAs.

Firm Profile

Peer Review Report



CliftonLarsonAllen LLP
CLAconnect.com

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

September 13, 2024

To the Partners of Whitley Penn LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Whitley Penn LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2024. 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. The summary also includes an explanation of how engagements identified as not performed or reported on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the firm's system of quality control 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; audits performed under FDICIA; and an examination of service organizations (SOC 2® engagement).

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.

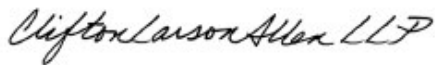
CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAGlobal.com/disclaimer

Firm Profile

Peer Review Report (continued)

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Whitley Penn LLP, applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2024, 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*. Whitley Penn LLP has received a peer review rating of *pass*.



CliftonLarsonAllen LLP

GFOA Special Review Committee

Our partners and managers have extensive experience in preparing and reviewing annual comprehensive financial reports that have been awarded the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

Audit Partners, Guadalupe R. Garcia and Roger Tovar, along with Audit Senior Manager, Addison Ebarb, are members of the GFOA Special Review Committee. This committee is comprised of individuals with experience in public sector financial reporting.

Firm Profile

Recent Experience with Municipal Audits, ACFRs, and Single Audits

Recent audit client experience including Annual Comprehensive Financial Report (ACFR) and Single Audit experience. All ACFR clients below received the GFOA Certificate of Achievement for Excellence in Financial Reporting unless noted otherwise.

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Entity	ACFR	Client Prepared	Single Audit
Municipalities			
City of Aubrey ¹	X		
City of Beaumont	X	X	X
City of Bellaire	X		X
City of Buda	X		X
City of Conroe	X		X
City of Dripping Springs ¹	X		
City of Friendswood	X		X
City of Fulshear	X		
City of Galveston ¹	X	X	X
City of Greenville	X		
Greenville Electric Utility System (GEUS)	X		
City of Hitchcock ¹	X		X
City of Humble	X		X
City of Hutto	X		X
City of Jersey Village	X		
City of Katy	X		X
City of Keller	X		
City of La Porte	X		
City of Leander			X
City of Missouri City	X		
City of North Richland Hills	X		
City of Pearland	X		X
City of Port Arthor ¹	X		
City of Richmond	X		X
City of Rosenberg	X		X
City of Round Rock	X	X	X
City of Stafford			X
City of Sugar Land	X		X
City of Texas City ¹	X		X
Total Municipalities	27	3	18

¹ Does not submit for GFOA Certificate of Achievement for Excellence in Financial Reporting or in first year of program and awaiting results

Firm Profile

Recent Experience with Municipal Audits, ACFRs, and Single Audits (continued)

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Entity	ACFR	Client Prepared	Single Audit
Other ACFR and Single Audit Experience			
Aldine ISD	X		X
Alief ISD	X	X	X
Amarillo College ¹	X		X
Arlington ISD	X		X
Austin ISD	X		X
Bastrop ISD			X
Beaumont ISD			X
Carrollton-Farmers Branch ISD	X		X
Cedar Hill ISD	X		X
Channelview ISD			X
College of the Mainland			X
Collin County Community College	X	X	X
Comal ISD	X		X
Crosby ISD			X
Deer Park ISD	X		X
DeSoto ISD			X
Dripping Springs ISD			X
Duncanville ISD ¹	X		X
Ector County	X		X
Fort Bend County	X	X	X
Fort Bend ISD	X	X	X
Friendswood ISD			X
Galena Park ISD	X		X
Galveston ISD			X
Garland ISD	X		X
Grayson College			X
Gulf Coast Authority	X		
Gulf Coast Water Authority	X		X
Harmony Public Schools ¹	X		X

¹ Does not submit for GFOA Certificate of Achievement for Excellence in Financial Reporting or in first year of program and awaiting results

Firm Profile

Recent Experience with Municipal Audits, ACFRs, and Single Audits (continued)

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Entity	ACFR	Client Prepared	Single Audit
Other ACFR and Single Audit Experience (continued)			
Harris County Department of Education	X		
Houston-Galveston Area Council			X
Humble ISD	X		X
Huntsville ISD			X
Hutto ISD			X
Katy ISD	X	X	X
Klein ISD	X		X
La Porte ISD	X		X
Lamar Consolidated ISD ¹	X		X
Lancaster ISD			X
Leander ISD	X		X
Lee College ¹	X		X
Lewisville ISD	X		X
Mansfield ISD	X	X	X
Mesquite ISD ¹	X		X
Midland College ¹	X		X
Nacogdoches County	X		X
Navarro College	X		X
New Braunfels ISD			X
Northside ISD	X	X	X
Odessa College ¹	X		X
Pasadena ISD	X		X
Pearland ISD	X	X	X
Pflugerville ISD	X		X
Port Arthur ISD			X
Richardson ISD	X		X
Round Rock ISD	X		X
San Jacinto Community College	X	X	X
Sheldon ISD			X

¹ Does not submit for GFOA Certificate of Achievement for Excellence in Financial Reporting or in first year of program and awaiting results

Firm Profile

Recent Experience with Municipal Audits, ACFRs, and Single Audits (continued)

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Entity	ACFR	Client Prepared	Single Audit
Other ACFR and Single Audit Experience (continued)			
Shepherd ISD			X
Spring Branch ISD	X		X
Spring ISD	X	X	X
Stafford MSD			X
Texas City ISD	X		X
Tyler Junior College	X		X
Waller ISD			X
Willis ISD			X
Total Other ACFR and Single Audit Experience	45	10	64

¹ Does not submit for GFOA Certificate of Achievement for Excellence in Financial Reporting or in first year of program and awaiting results

Firm Profile



Year-Round Resource for the City

We see financial statement audit services as the first line of defense. Our goal is to not only be the City's auditor for this engagement, but to become a year-round resource for the City. We believe that if we partner with the City to ensure it is in compliance with federal and state regulations, you can focus on what is most important.

Knowledgeable Professionals

Whitley Penn is one of the largest Texas-based, public accounting firms. With 97 partners, nine offices, more than 850 employees, and a worldwide affiliate membership with HLB International, the firm is able to offer a deep level of knowledge and know-how. Whitley Penn has been recognized as one of the "Top 100 Firms" in the U.S., and "Best of the Best" by *INSIDE Public Accounting* consistently for more than 10 years. The firm's Public Sector team has extensive experience performing audits and other attestation engagements for cities, counties, school districts, universities, and large government organizations. Whitley Penn is currently ranked as the 34th largest firm in the U.S. according to *Accounting Today* and 13th in the nation based on 2025-2026 rankings from VAULT ACCOUNTING 25.

Significant Texas Municipality Experience and Dedicated Public Sector Team

Work in the area of Texas municipalities is a focus within our firm's practice. Although founded in 1983, Whitley Penn has public sector auditing roots that stretch back into the early 1970's in Galveston, Harris and Fort Bend Counties. We currently serve as auditors for more than 100 governmental entities. Our partners have been recognized for their experience and have conducted seminars on various governmental accounting, auditing and financial reporting topics for the Texas Society of CPAs, other CPA firms, the TASBO and the Government Finance Officers Association of Texas (GFOAT). We have a dedicated Public Sector group that works solely on governmental entities year round. Our partners hold the advanced single audit certificate issued by the American Institute of Certified Public Accountants (AICPA).

Experienced Engagement Leadership

Whitley Penn's public sector team consists of four (4) partners, eight (8) managers, eight (8) senior associates, and a pool of approximately 20 associates who are dedicated to municipalities and other governmental entities. Our management team receives annual training in city auditing and reporting. We are in the process of planning and performing the services you have requested for our existing municipal clients. We have extensive experience in performing management and performance review services for Texas/other state agencies and for individual cities and counties. If awarded, our proposed engagement team members (two partners, one manager and one senior associate) would be staffed on a full-time basis for this engagement.

Personnel Qualifications

Proposed Engagement Team

We are committed to providing you with a team who is knowledgeable, enthusiastic and dedicated to providing superior services. Our firm understands the importance of continuity and as such we have the ability to rotate our managers and partners or pull in those staff with specific experience as needed for our clients, ensuring personalized service. Each client is actively encouraged to call on us at any time the need arises.

Engagement Partner - Patrick Simmons: More than 12 years of experience and will be responsible for the overall audit and final opinion on the financial statements and over federal compliance.

Engagement Resource Partner - Celina Cereceres: More than 24 years of experience and will provide additional technical guidance.

Engagement Quality Control Reviewer - Guadalupe R. Garcia: More than 18 years of experience and will be responsible for the second partner review of both the workpapers and ACFR.

Senior Manager - Andrew Jennett: More than seven years of experience and will be responsible for managing the engagement from start to finish and be the main contact.

Senior Associate - Sean Barry: More than four years of experience and will be working in the field each day; he will supervise associates, work on testing, and will be the main contact for fieldwork.

Personnel Qualifications



Patrick Simmons, CPA

Engagement Partner

Office: 713.403.3317

Cell: 409.771.5264

Patrick.Simmons@whitleypenn.com

Similar Entities Served

- City of Arcola
- City of Beaumont
- City of Bellaire
- City of DeSoto
- City of Freeport
- City of Galveston
- City of Hitchcock
- City of Iowa Colony
- City of La Porte
- City of Missouri City
- City of North Richland Hills
- City of Pearland
- City of Port Arthur
- City of Round Rock
- City of Stafford
- City of Texas City
- Galveston Central Appraisal District
- Galveston County
- Gulf Coast Authority
- Gulf Coast Water Authority

Practice

Audit Services - Public Sector

Licensed to Practice in the State of Texas | CPA License #105745

Education

BS in University Studies from Texas A&M University and MS in Accounting from the University of Houston - Clear Lake

Experience

- More than 12 years of experience in auditing to governmental and nonprofit entities.
- Extensive knowledge of the Office of Management and Budget (OMB) requirements under Uniform Guidance.
- Responsible for preparing, analyzing, maintaining, and reviewing financial statements, records and reports.
- Performs audit tasks for governmental and nonprofit engagements including evaluating the effectiveness of internal controls, performing substantive audit procedures, and providing concise audit results.
- Utilizes advanced data analytics to improve the effectiveness of audit procedures and provide valuable results.
- Assists clients in the preparation of financial statements including Annual Comprehensive Financial Reports (ACFR).

Professional & Civic Organizations

- Texas Society of Certified Public Accountants (TXCPA)
- American Institute of Certified Public Accountants (AICPA)

Personnel Qualifications



Celina Cereceres, CPA, CFE

Engagement Resource Partner

Office: 713.386.1175

Cell: 713.377.3667

Celina.Cereceres@whitleypenn.com

Similar Entities Served

- City of Aubrey
- City of Fulshear
- City of Iowa Colony
- City of Katy
- City of La Porte
- City of Pearland
- City of Stafford
- City of Sugar Land
- East Texas Council of Governments
- Galveston County
- Gulf Coast Authority
- Harris County Department of Education
- Houston-Galveston Area Council
- North Central Texas Council of Governments
- The Harris Center

Practice

Audit Services - Public Sector

Licensed to Practice in the State of Texas | CPA License #084132

Education

BA and MS in Accounting from the University of Texas - El Paso

Experience

- More than 24 years of audit public accounting experience focused on clients primarily in the following industries: school districts, non-profit organizations, community colleges and other large governments administering large amounts of federal and state grant awards.
- Earned the AICPA's Advanced Single Audit Certificate
- Responsible for training firm staff in accordance with Generally Accepted Auditing Standards (GAAS), and Government Auditing Standards (GAS)
- Extensive knowledge with the Office of Management and Budget (OMB) Uniform Guidance
- Designated Audit Quality Partner for the AICPA's Government Audit Quality Center
- Responsible for providing CPE to both employees, clients, and industry professional organizations

Professional & Civic Organizations

- Texas Education Agency/TASBO Advisory Committee (only CPA firm)
- Texas Society of Certified Public Accountants (TXCPA)
- American Institute of Certified Public Accountants (AICPA)
- TXCPA School District Conference Planning Committee
- Texas Association of School Business Officials
- TASBO Accounting/Finance Research Committee
- TXCPA School District Conference Chair
- Association of Certified Fraud Examiners (ACFE)

Personnel Qualifications



Guadalupe R. Garcia, CPA

Engagement Quality Control Reviewer

Office: 713.386.1149

Cell: 832.573.6825

Lupe.Garcia@whitleypenn.com



Similar Entities Served

- City of Aubrey
- City of Bellaire
- City of Buda
- City of Conroe
- City of Friendswood
- City of Fulshear
- City of Greenville
- City of Humble
- City of Hutto
- City of Jersey Village
- City of Katy
- City of La Porte
- City of Liberty Hill
- City of Manvel
- City of Missouri City
- City of North Richland Hills
- City of Oak Ridge North
- City of Pearland
- City of Richmond
- City of Round Rock
- City of Stafford
- City of Sugar Land
- Fort Bend County
- Greater Harris County 9-1-1 Emergency Network
- North Houston District
- Greenville Electric Utility System

Practice

Audit Services - Public Sector

Licensed to Practice in the State of Texas | CPA License #098442

Education

BBA in Finance from the University of Houston

Experience

- More than 18 years of experience auditing and performing other attest engagements for various governmental entities, including cities, counties, school districts, community colleges, other special-purpose governments, and nonprofit organizations.
- Earned the AICPA's Advanced Single Audit Certificate.
- Responsible for all aspects of the assurance process including planning, internal control evaluation, risk assessment, fieldwork, and report issuance and engagement closure.
- Assists in training staff in accordance with Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS), *Government Auditing Standards* (GAS) promulgated by the U.S. Government Accountability Office, and the Office of Management and Budget (OMB) requirements under Uniform Guidance.
- Responsible for preparation and review of Annual Comprehensive Financial Reports (ACFR) that have been awarded the Certificate of Achievement for Excellence in Financial Reporting.

Professional & Civic Organizations

- Texas Education Agency (TEA)/TASBO Advisory Committee (only CPA firm on this committee)
- American Institute of Certified Public Accountants (AICPA)
- Texas Association of Community College Business Officials (TACCBO)
- Texas Higher Education Coordinating Board AFR Committee
- Texas Society and Houston Chapter of Certified Public Accountants
- Texas Association of School Business Officials (TASBO)
- Government Finance Officers Association of Texas (GFOAT)
- Member of GFOA Special Review Committee

Personnel Qualifications



Andrew Jennett, CPA

Senior Manager

Office: 713.386.1193

Cell: 713.516.3166

Andrew.Jennett@whitleypenn.com

Similar Entities Served

- City of Beaumont
- City of Bellaire
- City of Buda
- City of Hutto
- City of Iowa Colony
- City of Liberty Hill
- City of Pearland
- City of Richmond
- City of Round Rock
- City of Sugar Land
- Communities in Schools – Bay Area
- Ector County
- Fort Bend County
- Fort Bend Subsidence District
- Garland ISD Foundation
- Gulf Coast Authority
- Gulf Coast Water Authority
- Harris County Improvement District
- Harris-Galveston Subsidence District
- Nacogdoches County
- North Central Texas Trauma
- Permian Basin Regional Planning Commission
- San Jacinto College Foundation
- Soaring Society of America
- The Briarwood School
- Uptown Development

Practice

Audit Services - Public Sector

Licensed to Practice in the State of Texas | CPA License #120722

Education

BA - Accounting - Texas State University

MS - Accounting - St. Thomas University

Experience

- More than seven years of experience in auditing governmental and nonprofit entities.
- Extensive knowledge of the Office of Management and Budget (OMB) requirements under Uniform Grant Guidance.
- Responsible for preparing, analyzing, maintaining, and reviewing financial statements, records, and reports.
- Performs audit tasks for government and nonprofit engagements including reviewing and testing transactions and internal controls, performing analytical procedures, and documenting audit results.
- Assist clients in the preparation of financial statements.

Professional & Civic Organizations

- Texas Society of Certified Public Accountants (TXCPA)
- American Institute of Certified Public Accountants (AICPA)

Personnel Qualifications



Sean Barry, CPA

Senior Associate

Office: 713.386.1159

Cell: 281.732.8195

Sean.Barry@whitleypenn.com

Similar Entities Served

- Brazos Valley Solid Waste Management Agency
- Child and Family Services
- City of Beaumont
- City of Conroe
- City of Friendswood
- City of Galveston Employee Pension Plan
- City of Galveston Police Pension Plan
- City of Greenville
- City of Iowa Colony
- City of Pearland
- City of Stafford
- Fort Bend County
- Fort Bend County CSCD
- Fort Bend County Juvenile
- Fort Bend County Toll Road Authority
- Fort Bend Grand Parkway Toll Roll Authority
- Fort Bend Subsidence District
- Galveston Central Appraisal District
- Galveston County Consolidated Drainage District
- Galveston Firefighters' Pension Fund
- Gulf Coast Authority
- Harris County Domestic Violence Coordinating Council
- Harris-Galveston Subsidence District
- Katy Development Authority
- North Houston District

Practice

Audit Services - Public Sector

Licensed to Practice in the State of Texas | CPA License #123886

Education

BS and MS in Professional Accounting from the University of Houston - Clear Lake

Experience

- More than four years of experience in auditing to governmental and nonprofit entities and three years of experience working in the accounting industry.
- Knowledge of the Office of Management and Budget (OMB) requirements under Uniform Guidance.
- Responsible for preparing, analyzing, maintaining, and reviewing financial statements, records and reports.
- Performs audit tasks for government and nonprofit engagements including reviewing and testing transactions and internal controls, performing analytical procedures, and documenting audit results.
- Assists clients in the preparation of financial statements.

Professional & Civic Organizations

- Texas Society of Certified Public Accountants (TXCPA)
- American Institute of Certified Public Accountants (AICPA)

Personnel Qualifications

Continuing Professional Education

The following is a table of continuing education course topics in which the project team has participated or served as instructors in the past three years:

Topic	Simmons	Cereceres	Garcia	Jennett	Barry
GASB Update:					
• GASB No. 74 (Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans)	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions)	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 76 (The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments)	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 77, Tax Abatement Disclosures	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 78 Pensions through Certain Multiple-Employer Defined Benefit Pension Plans	Yes*	Yes*	Yes*	Yes	Yes
• GASB Statement No. 79, Certain External Investment Pools and Pool Participants	Yes*	Yes*	Yes*	Yes	Yes
• GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14	Yes*	Yes*	Yes*	Yes	Yes
• GASB Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73	Yes*	Yes*	Yes*	Yes	Yes
• GASB Statements No. 83 through 86	Yes*	Yes*	Yes*	Yes	Yes
• GASB Statement No. 87 – Leases	Yes*	Yes*	Yes*	Yes	Yes
• GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Payments	Yes*	Yes*	Yes*	Yes	Yes
• GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period	Yes*	Yes*	Yes*	Yes	Yes
• Financial Reporting Model (Through Invitation to Comment Stage)	Yes*	Yes*	Yes*	Yes	Yes
• GASB Statement No. 90 – Majority Interests - an amendment of GASB Statement No. 14 and No. 61	Yes*	Yes*	Yes*	Yes	Yes
• GASB 91 – Conduct Debt Obligation	Yes*	Yes*	Yes*	Yes	Yes
• GASB 92 – Omnibus	Yes*	Yes*	Yes*	Yes	Yes
• GASB 93 – Replacement of Interbank Offered Rates	Yes*	Yes*	Yes*	Yes	Yes
• GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements	Yes*	Yes*	Yes*	Yes	Yes
• GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance	Yes*	Yes*	Yes*	Yes	Yes
• GASB 96 – Subscription-Based Information Technology Arrangements	Yes*	Yes*	Yes*	Yes	Yes

*Instructor

Personnel Qualifications

Continuing Professional Education (continued)

Topic	Simmons	Cereceres	Garcia	Jennett	Barry
• GASB 97 – Summary of Statement - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan – An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32.	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 98 Annual Comprehensive Financial Report	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 99 Omnibus 2022	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 100 Accounting Changes and Error Corrections	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 101 Compensated Absences	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 102 Certain Risk Disclosures	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 103 Financial Reporting Model Improvement	Yes*	Yes*	Yes*	Yes	Yes
• GASB No. 104 Disclosure of Certain Capital Assets	Yes*	Yes*	Yes*	Yes	Yes
Bonds (New issuances, refunding, capital appreciations bonds, etc.)	Yes*	Yes*	Yes*	Yes	Yes
The 2018 Yellow Book	Yes*	Yes*	Yes*	Yes	Yes
The 2024 Yellow Book	Yes*	Yes*	Yes*	Yes	Yes
Municipal Revenue	Yes*	Yes*	Yes*	Yes	Yes
Internal Controls over Federal Programs	Yes*	Yes*	Yes*	Yes	Yes
State and Federal Program Management	Yes*	Yes*	Yes*	Yes	Yes
Internal Controls	Yes*	Yes*	Yes*	Yes	Yes
Subrecipient Monitoring	Yes*	Yes*	Yes*	Yes	Yes
Procurement and the Uniform Guidance	Yes*	Yes*	Yes*	Yes	Yes
Coronavirus State and Local Fiscal Recovery Funds	Yes*	Yes*	Yes*	Yes	Yes
2021 OMB Compliance Supplement	Yes*	Yes*	Yes*	Yes	Yes
2021 OMB Compliance Supplement Addendum	Yes*	Yes*	Yes*	Yes	Yes
2022 OMB Compliance Supplement	Yes*	Yes*	Yes*	Yes	Yes
2023 OMB Compliance Supplement	Yes*	Yes*	Yes*	Yes	Yes
2024 OMB Compliance Supplement	Yes*	Yes*	Yes*	Yes	Yes

*Instructor

References

Comparable and Recent Engagements with Other Municipalities

Whitley Penn has experience in providing professional services for public sector entities, specifically cities. Below, we have listed our clients that have received the services requested by the City. This listing of clients is for the use of the City only in evaluating our proposal and is not to be used for any other purpose.

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Client Name	Contact Information	Population	Engagement Partner	Scope of Work
Recent municipal experience of comparable size				
City of Bellaire ^{*^} 7008 S Rice Avenue Bellaire, TX 77401	Terrence Beaman Chief Financial Officer (713) 662-8251 TBeaman@bellairetx.gov	Approx. 17,000	Patrick Simmons	Financial Statement Audit, Single Audit, Report Preparation (ACFR)
City of Greenville ^{*^} 2821 Washington St. Greenville, TX 75401	Michelle Baccheschi Business Services Director 903-457-2845 mbaccheschi@geus.org	Approx. 36,000	Roger Tovar	Financial Statement Audit, Single Audit, Report Preparation (ACFR) for both City of Greenville and Greenville Electric Utility System (GEUS)
City of Katy ^{*^} 901 Avenue C Katy, TX 77493	Andrew A. Vasquez Finance Director 281-391-4816 avasquez@cityofkaty.com	Approx. 29,000	Lupe Garcia	Financial Statement Audit, Single Audit, Report Preparation (ACFR)
Other relevant and recent municipal experience				
City of Pearland ^{*^} 3519 Liberty Hill Dr. Pearland, TX 77581	Victor Brownlees Assistant City Manager 281-652-1663 vbrownlees@pearlandtx.gov	Approx. 129,000	Patrick Simmons	Financial Statement Audit, Single Audit, Report Preparation (ACFR)
City of Round Rock ^{*^} 221 East Main Street Round Rock, TX 78664	Melana Taylor Deputy Chief Financial Officer 512-218-3295 mtaylor@roundrocktexas.gov	Approx. 137,000	Patrick Simmons	Financial Statement Audit, Single Audit, Report Review (ACFR)
City of Richmond ^{*^} 402 Morton St. Richmond, TX 77469	Augusto Isasias Preza Financial Director (281) 342-5456 aprez@richmondtx.gov	Approx. 14,000	Lupe Garcia	Financial Statement Audit, Single Audit, Report Preparation (ACFR)

*Current Client

^The entity receives the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Understanding of City Needs

Understanding of City Needs

The City of Boerne operates under a council-manager form of government, and is the County Seat for Kendall County, serving nearly 23,000 residents. The City acts as the service center for the neighboring community, providing retail, recreation, and food service to the surrounding population. Boerne is a historic small town and a dynamic growth center with a population that has grown almost 65% over the past 10 years. The City has grown steadily over the recent years and boast a strong tourism sector. Recent events like the Fourth-of-July 2025 floods underscore the city's commitment to resilience and recovery, shaping budget priorities for infrastructure upgrades and emergency operations coordination.

Financial Governance and Structure

Each year the City of Boerne publishes an Annual Comprehensive Financial Report (ACFR) in accordance with Generally Accepted Accounting Principles (GAAP) and the standards set by the Governmental Accounting Standards Board (GASB). This detailed set of financial statements provides stakeholders with a complete and transparent picture of the City's financial condition over a fiscal year. The ACFR demonstrates compliance with financial regulations and responsible fiscal management and provides important data to stakeholders in making informed decisions.

Each year, the City of Boerne submits its Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association (GFOA) for consideration under the Certificate of Achievement for Excellence in Financial Reporting program. The city has earned this prestigious award for 38 consecutive years, demonstrating an exceptional commitment to transparency, accountability, and high-quality financial reporting.

Our firm brings comprehensive experience in both preparing and reviewing ACFRs that have achieved this recognition. Annually, we issue approximately 60 audit reports for ACFRs - all of those that were submitted for the GFOA Certificate of Achievement for Excellence in Financial Reporting received the award. This consistent track record reflects our dedication to helping governments meet the highest standards of financial presentation.

As detailed in the Annual Comprehensive Financial Report (ACFR), the City's finance structure is anchored in fund accounting, which enables each revenue and expenditure source to be tracked separately.

The General Fund is the chief operating fund of the City and accounts for administration, street, public safety, municipal court, animal control, code enforcement, planning & community development, IT, special projects, human resources, legal, communications, development services, facility maintenance, and fleet maintenance. Located between San Antonio and the scenic Texas Hill Country, the City benefits from a thriving tourism industry and a steadily growing population. This influx of new residents has driven increased demand for housing, resulting in a significant appreciation in property values across the area. These demographic and economic trends are reflected in the City's General Fund, where property taxes and sales taxes represent the two largest sources of revenue—accounting for 21% and 34% of total General Fund revenues, respectively.

The Debt Service Fund, is an essential component of the City's finances, the fund is used to manage the repayment of long-term debt obligations such as bonds and certificates of obligation. The City of Boerne has been actively implementing projects funded by the 2022 Quality of Life Bond Election, which included Proposition A (\$23 million for Streets and Mobility) and Proposition B (\$13 million for Parks and Open Space). During fiscal year 2023, the city issued the first phase of bonds related to this proposition with General Obligation Bonds, Series 2023 for \$17,805,000.

We work closely with fast-growing municipalities across Texas, providing real-time guidance and thorough review of all bond-related entries and financial reporting. Our recent engagements include supporting the City of Pearland (\$181.3 million, 2023), the City of Round Rock (\$274 million, 2023), and the City of Dripping Springs (\$402.3 million, 2025), ensuring transparency, compliance, and fiscal integrity throughout each phase of the bond process.

In addition to our municipality experience we also have established track record working with school districts. These school districts issue bonds nearly annually, to build new schools, expand existing campuses and upgrade aging facilities.

We collaborate closely with some of the fastest-growing school districts in Texas to ensure accurate financial reporting related to bond issuances and other debt activities. Our recent work includes supporting Comal ISD (\$589 million, 2023),

Financial Governance and Structure (continued)

Hutto ISD (\$522 million, 2023), Leander ISD (\$763 million, 2023), and Katy ISD (\$807 million, 2023) as they navigate rapid expansion and capital investment.

We also partner with well-established districts undertaking large-scale facility upgrades, such as Northside ISD (\$992 million, 2022), Garland ISD (\$1.28 billion, 2023), Round Rock ISD (\$998 million, 2024), and Waller ISD (\$713 million, 2024), providing expert guidance to maintain transparency, compliance, and fiscal integrity throughout the bond process. We provide and offer real-time support to review any debt related entries or answer any questions regarding these types of transactions.

The Capital Projects Fund is used to manage financial resources dedicated to the construction, acquisition, and improvement of major capital assets. Funding sources typically include bond proceeds, grants, contributions, capital reserve funds, and interfund transfers. The City of Boerne currently maintains \$36.1 million in restricted or assigned funds earmarked for future infrastructure investment.

Our firm brings solid background in auditing entities with significant capital outlay activity, including municipalities and districts engaged in large-scale construction initiatives. We work closely with clients that issue substantial debt for public improvements, ensuring capital assets are:

- Accurately recorded and complete
- Properly valued, including depreciation and amortization
- Correctly classified in accordance with Governmental Accounting Standards Board (GASB) guidelines (including ensuring construction in progress is correctly recorded and transferred upon completion)

In addition, we provide specialized financial services for CMAR (Construction Manager at Risk) projects.

Our services include:

- Financial oversight and advisory support
- Compliance assurance with regulatory, accounting, and bond requirements
- Execution of agreed-upon procedures (AUPs) focused on CMAR contracts and vendor payments
- Internal control testing for procurement and disbursement processes
- Confirmation of adherence to Texas Government Code Chapter 2269 (contracting and delivery procedures for construction projects)

Through this proactive and rigorous approach, we help ensure public trust, financial transparency, and the responsible stewardship of capital resources.

The City of Boerne maintains six **enterprise funds**. The major enterprise funds include the Electric Fund, Water Fund, Wastewater Fund, and Gas Fund. Additional enterprise funds include the Solid Waste Fund and the Stormwater Fund. These funds account for services provided to residents within the city's service territory, where the intent is to recover costs through user fees.

We have extensive experience auditing these types of services. Our audit procedures include obtaining current-year rates and recalculating charges based on customer billing statements and consumption data for the billing period. We also evaluate the procedures and internal controls related to cash and payment collections. Our testing follows a "cradle to grave" approach—verifying that proper rates are applied, the billing system accurately calculates charges, and payments received are appropriately deposited into the City's bank accounts. Additionally, we assess the City's internal controls to ensure safeguards are in place to prevent fraud, waste, and abuse.

Many of our municipal clients provide water, wastewater, and solid waste services. We also have experience auditing enterprise operations such as municipal airports, golf courses, stormwater utilities, and recreation centers. A unique aspect of the City of Boerne is that it operates its own electric utility—an uncommon feature among Texas cities. According to the 2025 Public Power Statistical Report by the American Public Power Association, only about 72 of Texas's 1,200+ incorporated cities operate municipal electric utilities.

Financial Governance and Structure (continued)

We also have experience auditing the City of Greenville and its municipally owned utility, Greenville Electric Utility System (GEUS), which provides electric, cable, and internet services to residents. GEUS is audited separately from the City, and a distinct Annual Comprehensive Financial Report is issued for the utility.

Federal Single Audit Considerations for the City of Boerne

Over the past seven fiscal years, the City of Boerne has undergone three federal Single Audits. In FY 2018, the City's major program was the Highway Planning and Construction Program (Assistance Listing 20.205), administered by the Federal Highway Administration (FHWA). In FY 2020 and FY 2022, the City's major federal programs were the Coronavirus Relief Fund (Assistance Listing 21.019) and the State and Local Fiscal Recovery Funds (Assistance Listing 21.027), respectively.

Effective for fiscal years ending on or after September 30, 2025, the federal Single Audit threshold will increase from \$750,000 to \$1,000,000. While the City of Boerne has historically received a modest volume of federal grant funding, recent developments suggest a heightened potential for future Single Audit requirements.

In July 2025, Governor Greg Abbott requested that Kendall County, which includes the City of Boerne, be added to a federal Major Disaster Declaration. If approved, this would make the City eligible for FEMA's Public Assistance Program, which supports disaster recovery efforts. Our firm has experience working with clients who have received grants through the Texas Division of Emergency Management (TDEM) and FEMA, particularly in response to major events such as:

- Hurricane Harvey (2017)
- Hurricane Laura (2020)
- Ice Storm Uri (2021)
- Hurricane Beryl (2024)
- The 2024 Derecho Storm

We have supported both directly impacted municipalities and those that provided mutual aid, such as first responders assisting with wildfires and other statewide emergencies.

Additionally, the Texas Department of Transportation (TxDOT) continues to be a key partner in the City of Boerne's infrastructure planning. In August 2024, the City received a \$600,000 federal grant through the Bridge Investment Program to develop a modernization plan for 18 bridges, including 11 maintained by TxDOT. Our team has worked with several municipalities on similar TxDOT-funded projects, including:

- The City of Round Rock's I-35 improvements under the Highway Planning and Construction Program
- The City of Pearland's multi-year infrastructure initiatives supported by TxDOT funding

Our public sector practice has deep expertise in federal and state Single Audits. We currently perform approximately 100 Single Audits annually, including for every school district we audit. Our team includes multiple professionals who hold the AICPA Advanced Single Audit Certificate, a credential that demonstrates advanced competency in:

- Planning and performing Single Audits
- Evaluating internal controls and compliance
- Determining major programs
- Applying audit sampling techniques
- Reporting findings in accordance with federal requirements

With our broad experience, technical expertise, and deep understanding of federal compliance requirements, we are well-positioned to support the City of Boerne in navigating future federal audit obligations.

Navigating Emerging Standards and Legislative Changes

Keeping pace with evolving accounting standards can be both challenging and time-consuming. Over the past few years, the City of Boerne has successfully implemented several significant GASB pronouncements, including:

- GASB Statement No. 87 – *Leases*
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements (SBITAs)*

We recognize the additional burden these implementations can place on finance teams. To support our clients, we offer two complimentary 4-hour CPE seminars each year—held in April and mid-September—specifically tailored to the public sector. These sessions cover a wide range of topics, including updates from:

- The Office of Management and Budget (OMB)
- The Governmental Accounting Standards Board (GASB)
- The Financial Accounting Standards Board (FASB)
- Recent Texas legislative developments

In addition to group seminars, we provide customized one-on-one presentations and structured workshops to assist with the implementation of complex standards like GASB 87 and GASB 96.

At our most recent April 2025 CPE seminar, we explored the implementation and implications of the following upcoming standards:

- GASB Statement No. 101 – *Compensated Absences* (Effective FY 2025)
- GASB Statement No. 102 – *Certain Risk Exposures* (Effective FY 2025)
- GASB Statement No. 103 – *Financial Reporting Model Improvements* (Effective FY 2026)
- GASB Statement No. 104 – *Disclosure of Certain Capital Assets* (Effective FY 2026)

Among these, GASB 101 is expected to be the most impactful for FY 2025. We are actively working with clients to review personnel and leave policies, analyze historical data, and develop estimation methodologies. Our goal is to address these standards early and collaboratively, ensuring our clients are well-positioned to issue timely and accurate financial statements post-year-end.

Beyond accounting standards, we also keep our clients informed of key legislative changes. For example:

- Texas Senate Bill 1851 – Annual Audits
Effective September 1, 2025, this bill restricts a municipality from adopting a property tax rate above the no-new-revenue rate if it fails to complete and file its annual audit within 180 days of fiscal year-end.
- Texas Senate Bill 1173 – Competitive Procurement Threshold Increase
Effective FY 2026, this bill raises the competitive bidding threshold from \$50,000 to \$100,000, offering greater flexibility in procurement processes.

The City of Boerne has a strong history of timely financial reporting, and we are committed to helping maintain that standard. Through proactive communication, technical guidance, and ongoing education, we strive to be a trusted partner in navigating both regulatory and operational challenges.

Audit Approach and Timeline

Scope and Audit Approach

Our firm thoroughly understands the nature of the work to be performed and has developed programs of procedures designed specifically for these engagements. In addition to the heavy involvement of our partners and managers, our staff will have familiarity with the City's general operating environment due to their ongoing involvement with other municipal clients. A brief overview of the different phases or segments of our audit process is as follows:

The Planning and Risk Assessment Phase

Prior to any fieldwork being performed, strategic planning sessions are held both internally and with the City's staff to identify key audit and operational issues and to establish communications with appropriate firm and City staff and relevant third parties, as well as to determine timing and individual responsibility schedules. Additionally, the audit team will gain an understanding of the City's controls and operations surrounding financial activity and develop a plan of action or risk assessment for auditing key areas and account balances.

Fieldwork

Our audit programs for the City will include procedures related to the review and evaluation of internal administrative and accounting control noted above as well as the determination of compliance with finance related legal issues, the evaluation of errors and fraud, statistical sampling and analytical procedures designed to determine reasonableness of costs that can lead toward evaluating efficiency and effectiveness in administrative operations.

Throughout the fieldwork process, our partners and staff remain in constant contact and communication with City management personnel. When questions or concerns arise in the course of our work, we take steps to assure ourselves that critical information is passed on to the proper level of management through weekly meetings and discussions.

Report Issuance and Closure

We do not like surprises so any deficiencies, significant deficiencies or material weaknesses would be discussed with management prior to including it in the report and presenting the results to the City Council. We believe that both the auditee and auditor must agree on the facts and ensure that there is not documentation that could clear any deficiencies of which we were previously unaware. We find this method of exiting on the audit process brings the most value to our clients.

Report issuance and exit conferences of an audit are often the most critical portions because it is in this phase that most external communications are discussed. The results of our audit will be reviewed with the appropriate level of management, to include City Council and executive levels of staff, prior to the issuance of a report on internal controls and compliance matters. This review of findings and proposed recommendations with management will lead to a plan of action for City management to make any needed improvements in a manner that is not only theoretically, but practically sound. We find this method of exiting on the audit process brings the most value to our clients. We will work with your financial management team in the process of building the City's Annual Comprehensive Financial Report (ACFR), to eliminate any unknowns in the financial statement presentation process.

01

Planning

02

Risk Assessment

03

Understanding &
Identifying Key Controls
& Testing Controls

04

Substantive Testing

05

Opinion & Report
Issuance

Scope and Audit Approach

What about Sample Sizes and Audit Sampling?

In the course of an audit, we will apply sampling techniques in our substantive testing of account balances and transaction classes if the application of such techniques is deemed more effective and efficient.

The sample sizes and the extent of the use of samples depends on various factors including population size and the inherent risks associated with the account, transaction class, controls, or compliance features. In the planning and fieldwork stages of the audit, we will thoroughly discuss the population sizes, and the risk factors associated with significant financial statement accounts with appropriate financial management personnel. These discussions will include a methodology for selecting a sample as well as an approach for gathering the sample that will be the least intrusive to ongoing financial operations of the City.

We will also utilize statistical sampling techniques to be used for testing of controls and testing compliance with laws and regulations. We will apply various statistical sampling techniques based on the substance of the population. Statistical sampling techniques to be applied include a combination of random sampling, systematic sampling, and monetary unit sampling. Also, through the use of advanced data analytics software, we will perform analysis on entire populations to assist in determining samples.

Tests of Compliance with Laws and Regulations

We will perform these procedures to determine general statutory compliance and compliance with agreements with state and federal agencies for services provided to eligible recipients. The purpose of tests of compliance with laws and regulations is to determine whether there have been instances of noncompliance that may have a material effect on the financial statements or to provide a basis of reporting on the City's compliance with such laws and regulations. As a result, tests of compliance with laws and regulations are substantive tests accomplished by examining supporting documentation. In a single audit, this type of audit test is frequently applied using audit sampling.

We will select a sample of revenue or expenditure transactions and inspect supporting documentation to determine compliance with relevant laws and regulations; e.g., we would select a sample of expenditures program and inspect documentation to determine whether expenditures charged to a federal or state award were for activities allowed. We find the most efficient approach is usually to conduct these tests simultaneously with substantive tests of transactions; e.g., concurrently with selecting samples of cash receipts or disbursements to test recording accuracy.

Scope and Audit Approach

Type and Extent of Analytical Procedures

Our firm uses analytical procedures in audit planning and fieldwork to:

- Enhance our understanding of the City's operations and the transactions and events that have occurred since the previous fiscal year.
- Identify areas that may represent specific risks relevant to the audit.
- Provide substantive support for financial information included in the financial reports.

Comparisons of account balances between accounting periods are performed along with ratio and trend analyses to improve our understanding of the client and its operations in order to possibly identify critical audit areas. Our preliminary analytical procedures may include a comparison of current account balances in the working trial balance to similar amounts in the prior annual period's financial statements and the current period's budget. However, we feel a thoughtful consideration of expected relationships among account balances and periods by our experienced auditors is far more important than a mechanical comparison. We will not only consider these relationships, but compare these based on our knowledge of and experience with similar governmental entities and their operations. In some cases, analytical procedures can be more effective and efficient than tests of details for achieving particular substantive testing objectives. Normally, analytical procedures call attention to unexpected relationships in financial statement balances. This can be an efficient means of identifying potential misstatements or misclassifications. The appropriate blend of analytical procedures and tests of details is a matter of professional judgment concerning the expected efficiency and effectiveness of analytical procedures in identifying potential misstatements. The auditor may eliminate the need to sample or reduce the population of payroll expenditures considered necessary to sample by confining sampling to departments with significant fluctuations.

Analytical procedures may be used to identify individually significant items or to otherwise identify populations that need to be sampled. In the payroll area, an effective analytical test is to compare current expenditures to the prior period actual and current budget by department and relate to the number of employees by department. In this manner, the auditor may eliminate the need to sample or reduce the population of payroll expenditures considered necessary to sample by confining sampling to departments with significant fluctuations.

Analytical procedures are also applied as an overall review of the financial information in the final stage of the audit. These procedures are designed to assist our staff in assessing the propriety of conclusions reached and in the evaluation of the overall financial statement presentation. While the selected procedures will vary on the circumstances, they will always focus on overall relationships within the financial statements and consider the following matters:

- The adequacy of evidence gathered in response to unusual or unexpected balances identified by analytical procedures applied in the planning stage of the audit.
- Unusual or unexpected balances or relationships not previously identified.

Determining Laws and Regulations Subject to Audit Test Work

We will design our audit to provide reasonable assurance that the City's financial statements are free of material misstatements resulting from violations of laws and regulations that have a direct and material effect on the determination of financial statement amounts. From the planning phase of the audit, we will seek to obtain an understanding of the possible effects of such laws and regulations on the City's financial statements.

Scope and Audit Approach

Determining Laws and Regulations Subject to Audit Test Work (continued)

In the course of the audit, we will consider performing some or all of the following procedures:

- Consider knowledge about such laws and regulations obtained in prior years' audits.
- Discuss such laws and regulations with the finance staff, legal counsel, or grant administrators.
- Obtain written representation from management concerning the completeness of management's identification of such laws and regulations.
- Review grant and loan agreements.
- Review minutes of meetings of City Council for the enactment of new policies.
- Read pertinent statutes, regulations, and charter provisions and excerpt significant items for the permanent file section of the workpapers.
- If any legal requirements require clarification, we will request a written interpretation from the City's legal counsel.

Below is an example of the some of the focus areas related to federal, state, and local laws and/or policies.

Federal	State	Local
<ul style="list-style-type: none"> • 2 CFR 200 • Procurement • Employee conflict of interest 	<ul style="list-style-type: none"> • HB 1295 • HB 1378 • PFIA • Procurement • Conflict of Interest • Nepotism • Sales Tax (Hotel/Motel) 	<ul style="list-style-type: none"> • Compensated absences • Procurement • Accounts payable • Payroll • Human Resources • Fund Balance • Worker's Compensation

Examples of the types of laws and regulations that have a direct and material effect on the determination of amounts in a City's financial statements follow:

- **Public Funds Investment Act:** We will consider the City's compliance with legal and policy provisions for deposits and investments.
- **Procurement:** Competitive bidding laws apply to the procurement process.
- **Appropriations:** Expenditures should not exceed authorized limits.
- **Legal authority for transactions:** Transactions should be properly authorized at execution.
- **Budgetary reporting:** The required and other supplementary information should present an aggregation of the appropriated budgets, as amended, compared to actual results of operations in accordance with State Laws' local budget provisions.
- **Restrictions on expenditures:** The proceeds of certain governmental revenues are restricted by law as to the purposes for which they may be expended.
- **Taxing and debt limitations:** Governmental units may be subject to laws and regulations that place limits on taxing authority, place ceiling limitations and other issuance criteria on debt, or place limits on the use of debt proceeds.

Scope and Audit Approach

Financial Audit Engagement - General Scope Considerations

We will work closely with City Council and management in addressing the scope of the audit, the overall audit philosophy, and our observations and recommendations relating to the City's financial operations. We understand the scope of the work requested is an audit of the basic financial statements and required supplementary information in accordance with generally accepted auditing standards, as well as *Government Auditing Standards* (Yellow Book), issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget (OMB) Uniform Guidance under 2 CFR 200 and the Texas Grant Management Standards (TxGMS).

Our audit will be conducted in accordance with the above-mentioned standards and will include tests of the City's accounting records and other procedures we consider necessary to enable us to express an unmodified opinion that the basic financial statements are fairly presented in all material respects, in conformity with generally accepted accounting principles.

A. Evaluation of Internal Control Structure

The administration of the City is responsible for establishing and maintaining an internal control structure. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that, transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of basic financial statements in accordance with generally accepted accounting principles.

In planning and performing our audit we will consider the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the City's basic financial statements and not to provide assurance on the internal control structure.

We will obtain an understanding of the design of the relevant policies and procedures for the significant areas of the audit and whether they have been placed in operation, and we will assess control risk.

Tests of controls may be performed to test the effectiveness of certain policies and procedures which we consider relevant to preventing and detecting errors and irregularities which are material to the basic financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters which have a direct and material effect on the basic financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on the internal control structure policies and procedures and, accordingly, no opinion will be expressed.

We will inform the City of any matters involving internal control structure and its operations which we consider to be significant deficiencies under standards established by the AICPA. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Compliance with laws, regulations, contracts and grant agreements applicable to the City is the responsibility of management. 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. However, the objective of our audit will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion.

Scope and Audit Approach

Financial Audit Engagement - General Scope Considerations (continued)

B. Substantive Test Work on Account Balances

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories and direct confirmations of receivables, cash, notes and certain other assets and liabilities by correspondence with selected individuals, creditors and financial institutions. Areas which would be covered in our tests would include material accounts in the general ledger such as cash, investments, receivables, inventories, fixed assets, accounts payable, payroll liabilities, unearned revenues, fund balances, taxes, franchise fees, fines and forfeitures, charges for services, and various other revenue and expenditure accounts. We will also request written representations from your attorneys as part of the scope of the work. At the conclusion of our audit, we will also request certain written representations from the City about the financial statements and related matters. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us.

We will inform you, however, of any matters of that nature which come to our attention, unless they are clearly inconsequential. Additional work requested or performed related to fraud, errors, irregularities or illegal acts would be above the scope of the audit and would be subject to further discussions with management. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We anticipate that City employees will prepare all cash and other confirmations and will locate supporting documentation such as invoices, deposits, and other supporting documentation for items selected by us for testing. Account analysis schedules such as the reconciliation of bank statements, investments schedules, fixed asset and depreciation schedules, listing of accounts payable at year-end, etc., will be prepared by the City. We will request that the City provides us with supporting documentation such as grant applications, detail general ledger downloaded from the financial software, checks registers for the year, internal audit risk assessment, audit plan, issued reports and City Council meeting minutes. We encourage use of the Whitley Penn portal for the transfer of electronic files.

C. Assist with Report Preparation of Annual Comprehensive Financial Report (ACFR)

We will assist in the preparation of the ACFR especially as it relates to the implementation of any recommendations provided by the Government Finance Officers Association (GFOA) and or in the implementation of new standards promulgated by the Governmental Accounting Standards Board (GASB). We are also available to assist the City's financial personnel in the preparation and filing of the SF-SAC Data Collection Form.

D. Periodic Staff Meetings

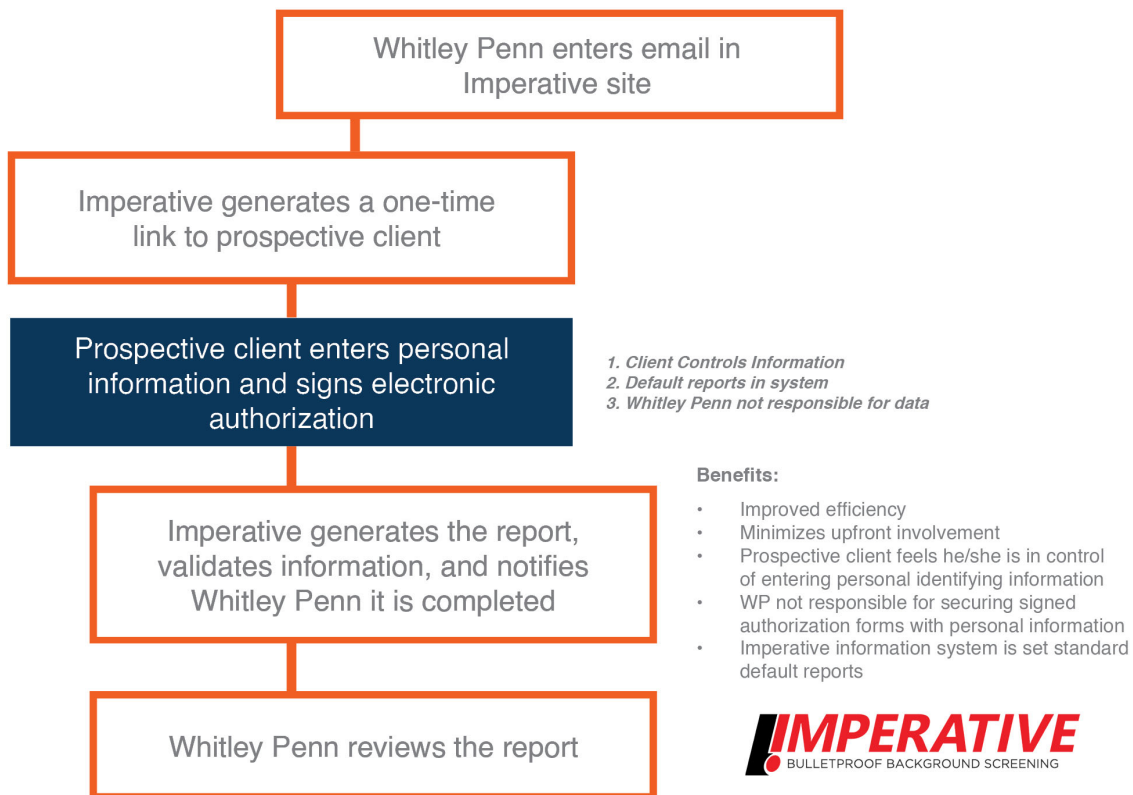
As part of our annual commitment to the City, senior level firm personnel will be available to meet with the City's staff, City Council, and the Audit Committee periodically during the audit and throughout the year to discuss financial reporting and audit matters. It is our policy to make our partners and managers available throughout the year to City Council and staff members. We would contemplate receiving specific direction as to the City's and firm's staff involvement in planning sessions with management prior to beginning our work.

Scope and Audit Approach

Client Acceptance Procedures

As part of our client acceptance procedures, we will contact your predecessor auditor to review their fiscal year September 30, 2024, audit workpapers. In addition, the firm requires a background check for the individuals signing the management representation letter. This typically includes those individuals taking responsibility for the financial statements. An illustration of the process is included below for your review. The status of the background check is then received by Whitley Penn for review and acceptance.

Audit Client Acceptance Due Diligence Process



Mike Coffey
 Cell: 817-313-0782

Scope and Audit Approach

Level of Assistance that will be Expected from City Personnel

We expect to arrange all project roles and responsibilities with our staff and the City's staff at the outset of the engagement. We appreciate the City's efforts and will work with you in making sure we can utilize the information already available. We do not want to burden the staff with making requests that require the staff to recreate the wheel.

Staff Rotation Plans and Multiyear Contract Arrangements

We bring a wealth of understanding of Texas municipalities financial operations and the specific operating environment. On many of these engagements we have made a strong effort over time to ensure consistency of staff on these projects. We have personnel at the partner level that would be able to assume engagement leadership with minimum effort. We would welcome the opportunity to discuss this fully with you. The approach to performing the requested services would not be affected if this were a multiyear contract, except as affected by additional or new industry or federal requirements. We would work closely with the City Council and Management to ensure that staff continuity is maintained at the management levels of the project or changed if desired by the City Council and Management. Continued training will be obtained by our management staff as to relevant technical requirements for requested services. If it is the City Council and Management's desire to change audit partners as well, we can certainly accommodate. Each of our team members can provide a fresh perspective.

As noted at the beginning of proposal, we have a dedicated Public Sector group. Our staff have elected to work with only governmental entities and they are fortunate enough to do so year round. This concept has allowed our staff to become extremely knowledgeable in this industry and it is one of the main factors that has allowed us to lead the public sector industry in the State of Texas.

Have We Identified Potential Audit Problems?

As noted earlier, our approach to difficult audit issues is immediate communication at the appropriate level of management to include, as appropriate, City Council and management. We propose scheduled periodic meetings with the City's management personnel to stay abreast with issues that the City is facing. As part of our service commitment, we welcome any questions during the year.

CPE Training

In 2025, we offer two 4-hour CPE sessions, at no cost (April and mid-September). We will cover an array of topics, including OMB, Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), and State legislative updates.

Task/Activity Plan

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Task	Partner	Manager	Senior	Associate	Total
Preliminary Planning	2	2	2	2	8
Interim Fieldwork	6	10	40	40	96
Year-end Fieldwork	8	12	60	60	140
Reporting	8	8	-	-	16
Subtotal	24	32	102	102	260
Preparation of ACFR	-	24	-	-	24
Single Audit	2	6	8	8	24
Subtotal	2	30	8	8	48
Total	26	62	110	110	308

Preliminary Planning

PBC List sent out at least one month before start date
 External planning meeting to discuss significant changes from previous fiscal year
 Set up meetings with various departments for internal control walkthroughs
 Communication with predecessor auditor
 Federal and state major program determination
 Sample selections for payroll, nonpayroll, and procurement transactions

Interim Fieldwork

Internal Control Walkthroughs

- Payroll/Human Resources
- Procurement/Accounts Payable
- Information Technology
- Cash and Investments
- Capital assets
- Property taxes
- Long-term debt
- Financial close and reporting
- Municipal Court (fines and fees)
- Licenses and permits
- Tax collection and monitoring - Sales, Mixed Beverage, Hotel and Franchise
- Utility billing

Federal major programs testing (For each major program) in accordance with OMB Uniform Guidance (2 CFR 200) -
 Test of compliance requirements subject to audit per OMB

- Payroll and Nonpayroll transactions for particular federal program
- Cash management
- Financial reporting
- Procurement
- Eligibility requirements
- Program income
- Period of availability

Task/Activity Plan

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Interim Fieldwork (continued)

- Internal controls surrounding payroll charges, specifically those employees that are split funded
- Matching and Earmarking requirements
- Special Tests and Provisions as required by OMB

Test of Controls & Compliance

- General Payroll
- General Nonpayroll
- Federal Payroll (Major Programs Only)
- Federal Nonpayroll (Major Programs Only)
- Procurement Test - From Master Bid List and from Expenditure Report by Commodity Type (Local, State and Federal requirements)
- Compliance with the Public Funds Investment Act
- Nepotism/Conflict of Interest
- Inherent risk assessment
- Control risk assessments
- Fraud inquiries
- Capital asset physical observations

Year-end Fieldwork

Planning

- Entrance conference with management to discuss year-end procedures
- Complete test of controls and compliance through the end of the fiscal year
- Major Fund Determination
- Calculation of financial statement and major program materiality
- Budget-to-actual comparison for the General Fund, Non-major Special Revenue Fund, and Capital Projects Fund
- Update risk assessment since interim fieldwork
- Related party and nepotism questionnaires to board members
- Review major program determination
- Legal representation letters sent to City's legal counsel

Task/Activity Plan

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Year-end Fieldwork (continued)

Substantive Procedures

- Cash and cash equivalents - confirmations, pledged collateral, and disclosures
- Investments - confirm balances, Weighted Average Maturity and disclosures
- Inventory - Review detail reports for balances
- Due from Other Governments - Subsequent receipts testing
- Due From/Due To Analysis along with Transfers In/Out
- Reconciliation of SEFA to the financial statements
- Property tax assessed value confirmation with appraisal district
- Recalculate Levy assessed for the fiscal year
- Verify property tax rates approved by City Council
- Analytical and other procedures on significant financial statement amounts
- Review and testing of accounts receivable reconciliations for material balances
- Reconciliation of sales tax revenue and receivable with receipts from State Comptroller
- Reconciliation of hotel occupancy tax revenue and receivable with receipts from State Comptroller
- Vouch significant franchise fees and intergovernmental revenue
- Reconciliation of utility and solid waste revenues and receivables to subsidiary ledgers
- Reconciliation of licenses and permits revenue to subsidiary ledger
- Reconciliation of fine and fee revenue to municipal court subsidiary ledgers
- Capital asset testing (additions, disposals, CIP, depreciation)
- Select local revenue transactions that are above scope and vouch support
- Journal entry exam
- Search for unrecorded liabilities
- Accrued wages test and review
- Payroll liability analysis
- Payroll analysis by program/type; review of budgeted payroll costs; consider Council approved pay increases
- Pension & OPEB Calculations and note disclosures
- Long-term debt roll forward
- Confirm all outstanding debt
- Review EMMA for any additional official statements
- Amortization of all debt-related items
- Self-insurance analysis; verify liability and perform analytics on expenditures and revenues
- Fund balance review for assignments and commitments

Task/Activity Plan

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Reporting

- Assist City with preparation of ACFR
- ACFR Review by Partner and Engagement Quality Control Reviewer
- Complete financial statement disclosure checklist
- Complete the ACFR disclosure checklist
- Partner and engagement quality control review
- Audit committee meetings
- Exit conference with management and plan for City Council meeting presentation

Final Submissions

- City Council Meeting
- Whitley Penn will draft the submission to the Federal Audit Clearinghouse Data Collection Form (30 days after report release date)
- Opinion letters

Technology

We use EDP Software in the Engagement

We utilize CCH's ProSystem fx Engagement, a fully integrated software for trial balances, audit workpapers and reporting functions. In fact, all of our audit documentation is maintained through the use of "paperless" working paper software. We will request that City staff electronically download certain data from the City's financial management information system for evaluation during the planning and fieldwork phases of the audit. Our approach to this area is designed to be non-invasive and to reduce the amount of time spent by both our staff and City employees.

Audit Innovation & Technology

Our Technology-Driven Audit Approach - We understand that accuracy, efficiency, and security are paramount to the City. Our audit approach is designed with these priorities in mind, leveraging advanced technology for seamless client collaboration, precise sample selections, comprehensive data analysis, meticulous data testing, and secure documentation storage.

Our Commitment to Innovation - We are deeply committed to staying at the cutting edge of audit technology and innovative methodologies. Our approach not only incorporates state-of-the-art tools but is also supported by a dedicated team of skilled data analytics professionals. Their experience in data gathering, transformation, and visualization streamlines our audit process, allowing us to focus on delivering insightful and impactful analytics.

Real-Time Collaboration with Your Engagement Team - Our integrated client portal and request list offer a real-time, web-based solution that enhances transparency and efficiency. This system minimizes the risk of duplicate requests, facilitates secure file transfers regardless of size, and provides you with an immediate snapshot of the audit's progress at any stage.

Robust Data Protection - We prioritize the security of your data through a comprehensive array of systems and processes. These include encrypted laptops, secure VPN connections for remote access, and a secure portal for data transfer. We continuously monitor and update our network security tools, such as fire walls, intrusion systems, antivirus software, and anti-malware programs to safeguard your data.

Our Trusted Technology Partners

Enhancing the Audit Experience - By utilizing these sophisticated, secure audit tools, we significantly enhance operational efficiencies, reduce the burden of an audit placed on you and your team, and dedicate more of our talent's time to analyzing the critical aspects of your financial data.



Simplifying Client Collaboration with Suralink - Suralink is a leading workflow software for the audit and accounting industry. It enables us to streamline engagements by automating document exchange and managing request lists between our organizations, making it easier to create, track, and share documents, saving you time, and reducing risk.



Spend Less Time Running Reports with Validis - Validis offers our audit team secure access to data from more than 25 accounting Enterprise Resource Planning (ERP) systems. We utilize Validis so you spend less time running system reports, reducing the number of audit requests by more than half. This ensures better data quality, a more accurate audit, and a smoother audit process.

Technology

Our Trusted Technology Partners (continued)



Advanced Analytics with Alteryx - Alteryx is our hidden advantage in data analytics and automation. Combined with our talented team of data analytics professionals, Alteryx allows us to perform testing and analysis on data sets of any size. With our custom-built applications within Alteryx, we are prepared and equipped with the automation we need to handle massive amounts of data efficiently and effectively.



Faster Testing and Review with DataSnipper - DataSnipper is at the cutting edge of audit technology, utilizing state-of-the-art character recognition and Artificial Intelligence to supercharge the audit testing process. Integrated directly with Excel, this innovative tool empowers our auditors to import, recognize, search, and link support from your files directly into your workpapers. This allows our audit teams to work more efficiently and spend more time identifying hidden risk.



Data-Driven Insights with TeamMate Analytics - Every auditor is equipped with high-powered data analysis software built directly into their Excel instance. TeamMate Analytics enables us to analyze full data sets for hidden risks vs. samples, ensuring a robust audit is performed, and affords our team the ability to dive deeper into outliers.



DebtBook Technology Solutions - We partner with DebtBook to provide our clients with debt, lease, and subscription management.

Our mission is to provide continuous support to the organizations we work with throughout the year. In our commitment to the City and similar institutions, we offer tailored solutions that enhance operational efficiency, foster collaboration, and ensure compliance through one unified platform. This strategy enables finance teams to navigate their organizational needs with confidence and precision by offering comprehensive solutions for:

- **Debt Management** – Optimizing debt management through task automation, enhanced accuracy, and collaborative tools to efficiently manage the City's debt, eliminate cumbersome spreadsheets, and ensure compliance with accounting standards.
- **Lease Management** – Consolidating lease information, controlling payments, and ensuring compliance with accounting standards like GASB 87.
- **Subscription Management** – Organizing subscription-based IT arrangements (SBITAs) and simplifying compliance with GASB 96.

Audit Timeline

The timeline below is an example proposed timing based upon a February 25, 2026, issuance of the ACFR.

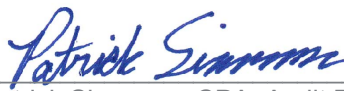
Task	Due Date
Detailed Audit Plan discussion, Audit Kick off meeting, and Provided By Client List delivered to City	August 15, 2025
Interim Fieldwork with Exit Conference on Final Day	September 1, 2025 - September 12, 2025
Year-end Fieldwork	December 1, 2025 - December 12, 2025
Planning Meeting and Communication Protocols for ACFR Preparation	Week of January 5, 2026
Annual comprehensive financial report draft completed by auditor	January 30, 2026
Final annual comprehensive financial report completed by auditor	February 17, 2026
File and Present ACFR to City Council	February 25, 2026

Progress meetings to be conducted weekly during fieldwork or as often as requested by the City.

Cost Proposal

Cost Proposal

I hereby certify that I am an authorized agent of the proposing Auditor empowered to submit the bid and authorized to sign a contract with the City of Boerne (the "City").



Patrick Simmons, CPA, Audit Partner

July 25, 2025

Date

Fee considerations are an important factor in selecting a firm for professional services such as auditing and consulting. In this regard, we welcome input on our fee estimate levels during the proposal process. As you are aware, we would very much like to have the opportunity to serve the City and would welcome the opportunity to discuss the appropriateness of our fee estimate levels, especially if they become a significant factor in making our firm the City's choice.

We would expect to remain within any negotiated fee level unless factors considered by us in estimating the fee level change significantly. Should circumstances dictate that material increases in our time requirements are necessary, we would discuss this with management immediately. We would not bill the City for amounts in excess of our negotiated fees without first discussing the matter and receiving approval from management.

The **total all-inclusive maximum price** for the fiscal year 2025 engagement and a total-cost proposal for each of the subsequent four (4) years is presented below. This total is inclusive of the preparation of the ACFR and single audit procedures for three (3) major programs. If additional major programs are required, we have quoted an additional \$3,000 for each additional major program in fiscal year 2025. **We do not bill separately for expenses incurred on our behalf.** Any such additional work agreed to by the City and the firm shall be performed at the same quoted rates set forth in the schedule of fees on the following pages.

Fiscal Year	Audit	ACFR	Subtotal	Single Audit	Total
2025	\$57,720	\$7,200	\$64,092	\$5,620	\$70,540
2026	60,600	7,600	68,200	5,900	74,100
2027	63,600	8,000	71,600	6,200	77,800
2028	66,800	8,400	75,200	6,500	81,700
2029	70,100	8,800	78,900	6,800	85,700

Cost Proposal

For Fiscal Year 2025

Level	Partner	Manager	Senior	Associate	Total
Preliminary Planning	2	2	2	2	8
Interim Fieldwork	6	10	40	40	96
Year-end Fieldwork	8	12	60	60	140
Reporting	8	8	-	-	16
Subtotal	24	32	102	102	260
Preparation of ACFR	-	24	-	-	24
Single Audit	2	6	8	8	24
Subtotal	2	30	8	8	48
Total	26	62	110	110	308
Preliminary Planning	\$ 780	\$ 600	\$ 440	\$ 20	\$ 2,140
Interim Fieldwork	2,340	3,000	8,800	6,400	20,540
Year-end Fieldwork	3,120	3,600	13,200	9,600	29,520
Reporting	3,120	2,400	-	-	5,520
Subtotal	9,360	9,600	22,440	16,320	57,720
Preparation of ACFR	-	7,200	-	-	7,200
Single Audit	780	\$1,800	1,760	1,280	5,620
Subtotal	780	\$9,000	1,760	1,280	12,820
Total	\$ 10,140	\$ 18,600	\$ 24,200	\$ 17,600	\$ 70,540

Please note that we welcome the opportunity to discuss our fees and make adjustments as deemed reasonable.

Copy of Master Agreement

Sample Engagement Letter

July 28, 2025

To the Honorable Mayor, Members of
City Council and City Manager
City of Boerne, Texas

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Boerne, Texas (the "City"), as of September 30, 2025 and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. In addition, we will audit the City's compliance over major federal award programs for the year ended September 30, 2025.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the City's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* of the Comptroller General of the United States of America ("*Government Auditing Standards*") will always detect a material misstatement 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.

The objectives of our federal awards program compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the City complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *Governmental Accounting Standards Board*, who 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 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 accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis;
- Budgetary Comparison Schedule – General Fund;
- Pension Information; and
- Other Post-employment Benefit Information

Sample Engagement Letter

To the Honorable Mayor, Members of
City Council and City Manager
City of Boerne, Texas

July 28, 2025
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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 basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with GAAS. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements and schedules;
- Budgetary Comparison Schedules
- Schedule of Expenditures of Federal Awards

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:

- Introductory Section
- Statistical Section

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts, and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Auditor Responsibilities

We will conduct our audit in accordance with GAAS, *Government Auditing Standards*, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement 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.
- Obtain an understanding of internal control relevant to the audit 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 financial statements that we have identified during the audit.

Sample Engagement Letter

To the Honorable Mayor, Members of
City Council and City Manager
City of Boerne, Texas

July 28, 2025
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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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 may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City's basic financial statements. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you and the City's Audit Finance Board in advance of issuing our opinion. 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 to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, 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.

Audit of Major Program Compliance

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 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 material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the City's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the 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 City's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Our procedures will consist of determining major federal programs and, performing the applicable procedures described in

Sample Engagement Letter

To the Honorable Mayor, Members of
City Council and City Manager
City of Boerne, Texas

July 28, 2025
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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, and performing such other procedures as we considers necessary in the circumstances. 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 obtain an understanding of the City's internal control over compliance relevant to the audit in order to design and 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. 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. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the City's major federal 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's 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:

- For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
- For maintaining records that adequately identify the source and application of funds for federally funded activities;
- For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- For the design, implementation, and maintenance of internal control over federal awards that provides reasonable assurance that the City is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
- For identifying and ensuring that the City complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
- For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
- For identifying and providing 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;
- For taking prompt action when instances of noncompliance are identified;
- For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
- For submitting the reporting package and data collection form to the appropriate parties;
- For making us aware of any significant contractor relationships where the contractor is responsible for program compliance;

Sample Engagement Letter

To the Honorable Mayor, Members of
City Council and City Manager
City of Boerne, Texas

July 28, 2025
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- To provide us with:
 - a) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
 - b) Additional information that we may request from management for the purpose of the audit;
 - c) Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence; and
 - d) A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
- For adjusting the 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 period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
- For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- For informing us of any known or suspected fraud affecting the City involving management, employees with a significant role in internal control, and others where fraud could have a material effect on compliance;
- For the accuracy and completeness of all information provided;
- For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
- For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information (including the schedule of expenditures of federal awards) referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria such as the Uniform Guidance, (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 financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited 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.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

Nonattest services will include assistance with preparation of the financial statements and note disclosures, government-wide adjustment adjusting entries, and preparation of the data collection form and submission to the federal audit clearinghouse. We will not assume management responsibilities on behalf of the City. However, we will provide advice and recommendations to assist management of the City in performing its responsibilities.

The City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal

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controls, including monitoring ongoing activities. We will perform the services in accordance with applicable professional standards, including Government Auditing Standards.

Our responsibilities and limitations of the nonattest services are described below:

The nonattest services are limited to the services we described above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise the City regarding these nonattest services, but the City must make all decisions with regard to those matters.

Fees and Timing

The timing of our audit will be scheduled for performance and completion as follows:

Document internal control and preliminary tests	September 2025
Mail Confirmations	October 2025
Perform year-end audit procedures	December 2026
Issue audit reports	February 2026

We anticipate meeting these deadlines barring any delays.

Patrick Simmons, CPA is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Whitley Penn, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for the audit services will be based on the amount of time required and the difficulty of the work involved which we estimate to be \$57,720 for the financial statement audit and \$7,200 for the Annual Comprehensive Financial Report preparation. Should the City require a federal single audit an additional fee of \$5,620 would be incurred. The fee estimate for the audit is based on anticipated cooperation from the City's personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Our invoices for these fees will be rendered each month as work progresses, are payable on presentation and payment is due in Tarrant County. You agree to pay reasonable attorney fees and collection costs incurred relating to collection of fees for services performed under the terms of this engagement. In accordance with Whitley Penn, LLP policy, work may be suspended if your account becomes 30 days or more past due and will not resume until your account is paid in full. In addition, invoices not paid in full by the last day of the month will be assessed interest at a rate of one percent per month. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been complete even if we have not issued 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. Our final auditors' report will be released upon final payment of any outstanding invoices.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

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We would like to make the following comments regarding the fee estimates:

1. Our fee estimates have not considered the effects of any changes to auditing standards and accounting principles, which may be promulgated by the AICPA, Congress, or any other regulatory body in the future and are unknown to us at this time. If significant additional time is necessary resulting in increased fees, we will endeavor to notify you of any such circumstances as they are assessed.
2. Our fee estimates are based on the assumption that we will be able to obtain internal control reports from the City's payroll service provider (where necessary), more commonly referred to as a SOC 1 Report and that we will be able to place reliance on these reports for internal control purposes in conjunction with the internal controls present in the administration of the City. Any weaknesses noted in the internal control may affect the nature, timing, and extent of our procedures and accordingly our fees will be adjusted to reflect such changes.
3. The City's personnel are responsible for the preparation of all items requested in the Prepared by Client ("PBC") listing and received by the date requested. Any delays caused by not preparing the items when requested may result in additional fees, as well as the possibility of postponing our fieldwork. The PBC listing will be provided to you during the planning process of the engagement.
4. Time incurred for audit adjustments identified during our audit and the related additional testing required has not been considered in our fee estimates. Prior to performing any additional testing, we will notify you of the exceptions and obtain approval for any additional fees which may be incurred.
5. Our fee estimates are based on all general ledger sub ledgers being reconciled to the general ledger balance and any adjustment necessary should be recorded to the general ledger prior to our fieldwork start date.

The scheduling of our professional staff requires complex models to balance the needs of our clients and the utilization of our people. Last minute client requested scheduling changes result in costly downtime due to our inability to make alternate arrangements for our professional staff. If after scheduling our work, you do not provide proper notice, which we consider to be one week, of your inability to meet the agreed-upon date(s) for any reason, or do not provide us with sufficient information required to complete the work in a timely manner, additional billings will be rendered for any downtime of our professional staff.

The ethics of our profession prohibit the rendering of professional services where the fee for such services is contingent, or has the appearance of being contingent, upon the results of such services. Accordingly, it is important that our bills be paid promptly when received. If a situation arises in which it may appear that our independence would be questioned because of significant unpaid bills, we may be prohibited from issuing our auditors' report.

In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, the City and Whitley Penn, LLP agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to our services and fees for this engagement. Any controversy, dispute, or questions arising out of or in connection with this agreement or our engagement shall be determined by arbitration conducted in accordance with the rules of the American Arbitration Association, and any decision rendered by the American Arbitration Association shall be binding on both parties to this agreement. The costs of any arbitration shall be borne equally by the parties. Any and all claims in arbitration relating to or arising out of this contract/agreement shall be governed by the laws of Texas and to the extent any issue regarding the arbitration is submitted to a court, including the appointment of arbitrators or confirmation of an award, the District courts in Tarrant County shall have exclusive jurisdiction. Any action arising out of this agreement or the services provided shall be initiated within two years of the service provided.

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This letter replaces and supersedes any previous proposals, correspondence and understanding, whether written or oral. The agreements contained in this engagement letter shall survive the completion or termination of this engagement. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

To ensure that Whitley Penn, LLP's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

In the course of our services, our firm may transmit confidential information that you provided us to third parties in order to facilitate our services. As applicable, we require confidentiality agreements with all our service providers to maintain the confidentiality of your information and additionally the firm will take reasonable precautions to determine that our service providers have the appropriate procedures in place to prevent the unauthorized release of confidential information to others.

We will remain ultimately responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

In the event we are required by government regulation, required by subpoena or other legal process to produce information or our personnel for interviews or depositions in relation to a matter involving the City, the City will, so long as we are not a party or the focus of the proceeding or inquiry in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The audit documentation for this engagement is the property of Whitley Penn, LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to your pass-through regulatory entity and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision Whitley Penn, LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

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The City may wish to include our report on these financial statements in an exempt offering document. The City agrees that the aforementioned auditor's report, or reference to our Firm, will not be included in such offering document without prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement letter. For exempt offerings for which we are not involved, you will clearly indicate that we were not involved with the contents of such offering document and a disclosure as shown below will be included in the exempt offering:

"Whitley Penn, 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. Whitley Penn also has not performed any procedures relating to this offering document."

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

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.

We agree to retain our audit documentation or work papers for a period of at least 7 years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Honorable Mayor and Members of City Council the following significant findings from the audit:

- Our view about the qualitative aspects of the City's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

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

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Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the City's financial statements and the City's compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Houston, Texas

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of City of Boerne, Texas by:

Signature: _____
Frank Ritchie, Mayor of the City of Boerne, Texas

Date: _____

MANAGEMENT SIGNATURE:

Signature: _____
Ben Thatcher, City Manager of the City of Boerne, Texas

Date: _____

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CliftonLarsonAllen LLP
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REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

September 13, 2024

To the Partners of Whitley Penn LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Whitley Penn LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2024. 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. The summary also includes an explanation of how engagements identified as not performed or reported on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the firm's system of quality control 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; audits performed under FDICIA; and an examination of service organizations (SOC 2® engagement).

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.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAGlobal.com/disclaimer.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Whitley Penn LLP, applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2024, 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*. Whitley Penn LLP has received a peer review rating of *pass*.

CliftonLarsonAllen LLP

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