Proposal for External Auditing Services
RFP # TX2401

Texas Municipal Power Agency

October 29, 2024

John DeBurro, CPA | Partner, Audit Services
Weaver and Tidwell, L.L.P. | 1800 Hughes Landing Blvd, Suite 400 | The Woodlands, TX 77380
713.297.6930 | john.deburro@weaver.com

weaver
Assurance • Tax • Advisory

1800 Hughes Landing Blvd, Suite 400
The Woodlands, TX 77380
713.800.1060

October 29, 2024

Lyndi Birkhead
Texas Municipal Power Agency

RE: Proposal for External Auditing Services RFP No: TX2401

Dear Ms. Birkhead

Weaver and Tidwell, L.L.P. (Weaver) has nearly 75 years of serving government entities, including our experience providing audit services to The Agency from 2010-2014. With this proposal, we commit to providing Texas Municipal Power Agency (the Agency) with external auditing services

Minimum Requirements

We understand this is a proposal to perform audits to express an opinion on the financial statements of the Agency and its defined contribution pension plan. It is our understanding the audit is for a period of five years (fiscal years ending September 30, 2025 through September 30, 2029) subject to satisfactory annual performance reviews

Our commitment to you means more than meeting the bare minimum: our goal is to help you meet your operational challenges with ease by providing real value beyond mere "check-the-box" compliance.

On the pages that follow, we outline how Weaver will do more than just meet your deadlines; **we will exceed your expectations.**

I confirm that I am an authorized individual that can contractually bind the firm. If you have any questions regarding this proposal or any other matter, please contact me at any time.

Sincerely,

John DeBurro, CPA | Partner, Audit Services
713.297.6930 | john.deburro@weaver.com

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A) DEADLINE COMMITMENT

Weaver is committed to performing the financial statement audits of the Agency and its defined contribution pension plan for a period of five years (fiscal years ending September 30, 2025, through September 30, 2029) subject to satisfactory annual performance reviews.

Weaver's Philosophy

Our Core Values

Our goal is to balance both high development with high performance to meet the long-term goals of each individual, team and our firm, and every person plays a part. Our core values drive everything we do at Weaver — the way we work, the way we operate and the way we serve our clients.

Take initiative. Lead. Always think about how we can improve.

Do work you're deeply proud of, as if Weaver were *your* business.

Act with integrity, no matter what.

Strive to transcend client expectations, *always.*

Be adaptable and innovative in all that you do.

Help each other succeed at work and in life.

Respect everyone for who they are and what they contribute, no matter what.

Keep perspective: Be passionate and diligent *and have fun.*

Mission Statement

Working collaboratively with each other and our clients, Weaver solves the most challenging accounting, regulatory and business issues.

We bring a human element to the world of numbers and complex regulations.

This includes creating a supportive workplace culture where we strive for excellence together.

Vision Statement

Weaver strives to be the best accounting and consulting firm in the country for our people and our clients, while celebrating and extending our collaborative, innovative culture.

Our Commitment to Quality

Attention to quality and multiple quality-assurance processes are built into every Weaver engagement from day one of initial planning.

Weaver incorporates specific engagement-level and firm-level quality programs to evaluate the effectiveness of our team's engagement procedures and ensure the work we produce is held to the highest of standards.

Engagement Quality

From experienced partners to the newest associates, all Weaver professionals understand that our commitment to quality requires thoughtful planning, consistent follow-through and attention to detail.

We work to thoroughly understand engagement criteria, including both client-specific and applicable regulatory requirements. This enables us to plan specific procedures with defined outcomes and to carefully consider any changes before issuing our final report.

We also ensure that staff have the knowledge and experience required to carry out their responsibilities. Our policies and procedures also provide for consultation with supervisors on significant matters and require multiple layers of technical review.

Automated error-checking tools are used when appropriate, but we never consider them a substitute for thoughtful management review and oversight.

During planning, we work with our clients to outline expected performance standards, including overall goals, schedules, staffing requirements (both number and required skills) and deliverables.

At end of the engagement, we hold an exit conference to discuss results, including any findings and observations. We'll also discuss what went well or what could be changed, so we can incorporate that knowledge into our future engagements.

Our quality control guidelines also mandate that our engagement teams retain sufficient evidence to substantiate engagement procedures. These work papers are retained for a minimum of five years, at the firm's expense. As a matter of practice, we make a copy of all work papers available to clients on request.

For all clients, we demand independence both in fact and appearance where it's required by applicable laws, regulations or requirements of professional societies.

Firmwide Quality

Weaver has created and adheres to a System of Quality Management (SOQM) document that defines our firm's commitment to excellence and demands integrity, objectivity, competence and diligence from our professionals.

To achieve this high-quality professional performance, Weaver has adopted policies and procedures that implement the quality control standards established by the American Institute of Certified Public Accountants (AICPA). Our Quality and Risk Management (QRM) Committee oversees the firm's quality control performance.

Weaver's successful performance in external peer reviews, conducted every three years, further demonstrates the effectiveness of our quality assurance efforts.

Due to the confidential nature and size of Weaver's SOQM, we don't provide a copy of the document as part of our proposals.

B) CONTACTS

Firm Name

Weaver

Address, Name, Telephone Number of Firm Representative

John DeBurro, CPA | Partner, Audit Services
1800 Hughes Landing Blvd, Suite 400 | The Woodlands, TX 77380
713.297.6930 | john.deburro@weaver.com

Communication Approach

Throughout each engagement and our relationship with you, Weaver will communicate openly. Your Weaver team will hold the following meetings with management and, when appropriate, with those charged with governance:

- A planning meeting to discuss any prior services and learn your expectations for the upcoming engagement
- Entrance and exit conferences at the beginning and conclusion of fieldwork
- Progress conferences during fieldwork to discuss work in progress and open items
- Presentations of the final report for key stakeholders, as needed

We'll use these communications to:

- Provide technical updates and discuss the impact on your organization
- Learn about changes in your forward-looking strategies as we look to the next season
- Understand your overall satisfaction to date

We'll keep you informed of any significant events that arise during the engagement. Whenever there's a question or a potential issue, we'll bring it to your attention, seek your confirmation of the data and ask about any relevant circumstances; we encourage you to do the same.

Through open communication, our objective is to eliminate surprises while providing an efficient, effective engagement.

Project Management Approach

Weaver regularly manages and completes multiple high-importance projects for large government clients. Through open, regular communication and careful planning, we keep costs down and projects on schedule.

This starts with hands-on involvement of our partners and team leadership, who remain actively engaged to ensure adherence to the budget, timeline and quality standards.

In addition, managers monitor progress daily to ensure that work is proceeding on schedule and budget and that we're meeting established performance standards. Any variances or unexpected findings will be communicated immediately to our client, and we'll work together to develop a satisfactory solution. Metrics against which we monitor and measure performance include:

- Staying within estimated hours
- Meeting noted milestones and staying on schedule
- Meeting the projected budget
- Meeting established industry performance standards, such as those published by the IIA, AICPA or other organizations
- Adherence to industry best practices and frameworks, such as COBIT, COSO and NIST
- Providing useful information and actionable recommendations

To ensure a "no surprises" engagement, we establish concurrence between our team and yours regarding plans and anticipated milestones and provide regular status updates to share preliminary findings.

Audit Approach

Weaver's audit methodology is designed to be collaborative, comprehensive and efficient, with guidance from your engagement partner throughout.

Rather than a one-size-fits all approach, we shape and customize our strategies and procedures to your specific circumstances.

Mid-Year Consultations

Calling us with questions at the beginning of an engagement can save significant time at the end. At Weaver, we consider ourselves your auditor all year round, not just during the audit season.

We do more than accept questions throughout the year — we encourage you to reach out to us whenever you need to. Year-round consultations with your engagement partner and manager will be provided to you at no additional cost.

Throughout the year, Weaver hosts a series of virtual Government CPE Training that includes a range of hot topics for financial and accounting leaders. Our sessions covered the latest compliance requirements and GASB updates as well as timely topics impacting government operations such as cybersecurity, fraud prevention and digital transformation. Weaver's most recent series is available for ongoing viewing on the **WEAVER WEBSITE.**

In addition to timely thought leadership via blogs and webinars, Weaver also publishes two podcasts, *Weaver: Beyond the Numbers — The Business of Government* and *Weaver: Beyond the Numbers — Government Impact* for government leaders.

Protecting Your Information

Weaver is always mindful of our responsibility to manage confidential personal and financial data. We've created a comprehensive array of procedures rooted in industry-standard best practices and systems to protect client and firm information.

To start, physical security measures include secured doors in our offices and workstations that lock automatically. Any printed documents are kept in secured areas, and unneeded documents are regularly collected in locked containers for shredding.

We diligently require data security reports from third-party vendors. We monitor how third parties protect our data, and make sure we know where our data is stored.

In-house cybersecurity measures include two-factor authentication and encrypted laptops, hard drives and email. Weaver also enforces mandatory encryption of all removable media (such as USB drives). These are just some examples of the exhaustive procedures we follow to make sure client data remains secure. Additional details regarding our IT and security policies are available upon request.

Weaver's industry-leading data safeguards — such as two-factor authentication — exceed government requirements for protecting information managed by state agencies.

Key Activities

Phase 1: Planning and Risk Assessment

To start, our team will meet with you to understand your operations and processes, compile our document request list, provide access to our client portal, identify and confirm potential risks and calculate a preliminary estimate of materiality.

Finally, we'll develop key parameters for the audit, including:

- Audit objectives
- Staffing and responsibilities, including manager and partner supervision
- Application of analytical procedures
- Schedules and hour budgets by audit area
- Materiality levels used for planning
- A risk assessment of internal controls

In developing our audit plan, we'll consider aspects of your operations that could affect the audit scope and approach, such as your organizational structure, governing laws and regulations, annual budget and sources of revenue, number of employees, and any significant events during the past year that might have affected your financial processes.

BEYOND THE AUDIT

What makes Weaver different? We to provide ongoing value beyond mere "check the box" compliance, including:

- A knowledgeable engagement team that will alert you to pending changes and coach you through them
- Professionals at every level who understand government auditing and accounting standards and the special requirements of governmental entities
- Year-round access to consultation and advice from informed industry leaders
- Free admission to Weaver's annual continuing professional education day designed specifically for our government clients

TECHNOLOGY IN THE AUDIT. Weaver's secure portal enables our team and yours to share, review, store and track all items related to the engagement.

We can also download financial data directly into our audit software to prepare trial balances, perform analytical procedures and prepare the financial statements. To further increase efficiency and accuracy, we can even leverage our in-house data analytics team to analyze 100% of selected data.

As an integral part of our audit planning, we complete annual reviews of internal controls and operations and accounting processes. This in-depth understanding of your operations and accounting processes is essential for performing a thorough, efficient and effective audit. It also helps us make relevant, valuable management comments.

Phase 2: Control Documentation and Preliminary Fieldwork

Understanding Your Internal Control Structure

First, we'll examine your internal controls to make sure they're properly designed and functioning as intended.

We'll then ensure an adequate understanding of your internal controls as they relate to the risk assessment, control environment, control activities, information and communication and monitoring. This will be accomplished by:

- Reviewing controls and determining whether they've been placed in operation
- Assessing the materiality of the various account balances and transaction classes
- Evaluating the risk factors that could affect the scope of testing

Determining Laws and Regulations Subject to Testing

We'll consider the effects of laws and regulations that have a direct and material effect on the determination of amounts in the financial statements.

To do this, we'll:

- Discuss applicable laws and regulations with representatives and legal counsel, if indicated
- Utilize information from prior-year work papers and our knowledge of your processes and procedures
- Review certain grants and contracts
- Obtain written representations from management

Audit Sampling Approach

The nature and size of the Agency's operations will require us to design procedures to include sampling applications.

All sampling will be performed in accordance with AU-C Section 530 and the AICPA audit guide, "Audit Sampling." Sampling applications may be used for these areas:

- Tests of accounting controls
- Tests of controls over compliance requirements of major federal or state programs, as applicable
- Tests of compliance with major federal or state program requirements, as applicable
- Substantive tests of account-balance details

The determination of tests of controls for transaction cycles will be decided by our evaluation of the design and effectiveness of your accounting controls. Our approach to tests of accounting controls will use tolerable rates of deviation and a 90% confidence level. The number of transactions tested will ultimately be determined by our expected rates of deviation and our control risk assessment. The specific items to be tested will be chosen randomly.

PREPARED BY CLIENT (PBC) REQUESTS

We recognize that your staff manages the finances of a multimillion-dollar enterprise; our objective is to allocate to you only those tasks that will result in the greatest cost-efficiency overall.

For all requests for information, we'll give your staff adequate lead-time for their preparation. We'll deliver a request list for our interim fieldwork no later than one month in advance of the scheduled arrival for fieldwork.

When we conclude our interim fieldwork in your office, we'll deliver a tailored list of schedules for final fieldwork based on our understanding of controls and operations developed during the interim fieldwork. We don't utilize standard templates; rather, whenever possible, we'll work with schedules already prepared by management.

Based on our understanding of your accounting and financial reporting, we expect that our PBC list will be similar to prior audits. We'll update any items received that could be added to the list and remove items that don't add meaningful value.

Determining Sample Sizes

The size of samples can't be determined in advance for substantive tests of details of account balances. Weaver uses a nonstatistical sampling approach based on statistical theory, as widely used throughout the audit profession.

This methodology uses the concepts of tolerable misstatement, risk of material misstatement, other substantive procedure risk, individually significant transactions and account balance in determining the sample size.

Phase 3: Final Fieldwork

After you complete the year-end closing of accounts, our team will begin final fieldwork.

This is the time when we perform most of the substantive tests on your data and prepare our audit work papers. During this time, our auditors will:

- Perform audit tests and complete preparation of audit work papers
- Complete audit programs, procedures and conclusions
- Discuss audit findings and adjusting entries with your management
- Obtain attorney letters

Throughout this phase — and throughout our entire relationship with you — Weaver will remain in close communication with your management. Our goal is a "no-surprises" audit. Therefore, whenever there's a question or a potential issue, **we'll immediately bring it to your attention, seek your confirmation of the data and ask about any relevant circumstances.**

Substantive Procedures

After years of experience, Weaver has developed a very efficient methodology for performing substantive procedures on financial statement accounts and transactions quickly, but thoroughly.

The objectives of these procedures are to provide reasonable assurance that you'll be able to accurately process, summarize and report financial data consistent with management's assertions. Those assertions cover classes of transactions, year-end account balances, and presentation and disclosure of financial data.

Analytical Procedures

During your audit, we examine more than just pieces of data in isolation.

We also analyze the interrelationships of financial and nonfinancial data. Our extensive use of analytical procedures offers a natural extension to the process of understanding your operations. As we develop this understanding, we determine what ratios, relationships and internal or external data management tools will be useful in identifying and monitoring risks.

The exact analytical procedures performed are determined as part of our planning process, after we've completed interim and internal control analysis and testing. Common procedures performed in past engagements include trend analysis, ratio analysis and predictive or "reasonableness" tests.

For example, depending on the specifics of your data and processes, we may:

WEAVER ANALYTICS

Weaver's internal data analytics team uses advanced computerized data-analysis techniques to uncover irregularities that could indicate fraud, persistent or systematic errors and internal control weaknesses.

During financial audits, our team can analyze 100% of selected data in the areas of journal entries, payroll and disbursements. We can identify potential risk areas that may require further investigation by the audit team.

During previous engagements, our team has identified items such as bid splitting and nepotism, as well as opportunities to improve efficiencies in the disbursement process. Examples of key findings from other data analyses include:

- Duplicate vendors in the master vendor file
- Duplicate invoice payments
- Concentrations in vendors and customers that may indicate fraud
- Payroll checks paid in the incorrect amounts
- Payroll checks paid to former employees
- Employee addresses that match vendor addresses
- "Ghost" employees and vendors
- Unusual overtime patterns

By adding fraud detection and operational compliance, as well as computer data acquisition and analysis, Weaver can provide insights on the best ways to improve the efficiency and effectiveness of your processes.

- Compare financial information with comparable prior periods, considering any known or expected changes; for example, we'll compare revenues and expenditures with comparable previous periods and balances, looking for unexpected variations
- Compare actual with anticipated results; for example, we'll make a budget-versus-actual comparison of revenues and expenditures
- Evaluate relationships among different elements within the period, such as receivables in relation to billings, or revenues in relation to costs
- Analyze financial information in light of relevant nonfinancial information (growth, political changes, new regulatory requirements, etc.)
- Perform automated data analysis (data mining) using audit command language (ACL) and similar tools

Weaver typically pursues analytic procedures at depth in these areas:

- Salaries and benefits
- Depreciation
- Certain revenues and expenditures

Any unexpected variations are researched for explanations, and then corroborated by reviewing supporting information.

Phase 4: Financial Review and Quality Control

As fieldwork is nearing completion, your engagement partner will review the entire engagement, with particular attention to significant audit areas.

In addition, the draft report and work papers will be reviewed by the engagement technical review partner to determine the completeness with which the engagement has been performed. The auditor's review will determine whether judgments made by others are reasonable in relation to the supporting data and to generally accepted accounting principles, auditing standards and firm policy.

Weaver also will review the Agency's financial statements. We utilize our engagement software mapped to your financial reporting schedules to link our trial balance database to your financial statements and supporting schedules for an efficient review.

This use of technology, combined with our experience reviewing financial statements, allows us to streamline the review process, easily verifying and quickly cross-checking balances. We also provide feedback timely and focus primarily on material and impactful items, helping you to present a quality and accurate document to the public while minimizing time spent making non-substantive changes.

The financial statements will be reviewed by the engagement manager, and the engagement and technical review partner.

We'll discuss and confirm our findings with appropriate Agency staff whenever we discover an area of potential concern. In addition, we'll review draft findings and recommendations with you throughout the engagement. At the reporting stage, there should be no surprises.

Review and quality control tasks include:

- Engagement partner review of all work papers to ensure compliance with technical standards
- Technical review of all work papers
- Performing any final analytical procedures
- A client conference to review financial statements, the auditor's opinion and preliminary management letter comments
- Obtaining written representations from management

Weaver will create and maintain all necessary information and documentation, including accounting records related to services and payment for at least five years after the engagement. We'll also make available to any authorized representatives and their entities necessary, relevant information.

Phase 5: Reporting

Throughout the audit, if we become aware of irregularities or illegal acts, we'll make an immediate, written report of those acts to management.

After our internal reviews have confirmed the audit is complete, you've reviewed the draft reports, and we've incorporated your management responses and related information, Weaver will issue the final audit documents (printed copies and electronic files).

We'll issue all reports currently required by generally accepted auditing standards and any regulatory agencies, as well as issue any other reports subsequently required by these or similar entities following completion of the financial audit.

Weaver will present our findings to the parties you designate. At that time, we'll explain our findings, present practical recommendations for improvement (if needed) and answer your questions. The engagement partner and manager will also bring these reports to meetings as requested. This provides your leaders with the opportunity to ask questions directly and enables us to explain our recommendations and any unusual findings.

Weaver's **Audit Insights** are designed to convey the most essential results of the audit, without excessive accounting jargon. It also presents information on financial trends over time, strengths and opportunities and looming changes.

We'll ensure leaders are informed of the following information, as well as any other items required by audit standards:

- The auditor's responsibility under generally accepted auditing standards and government auditing standards
- Difficulties encountered in performing the audit
- Disagreements with management
- Major issues discussed with management prior to retention
- Management consultation with other accountants
- Management judgments and accounting estimates
- Other information in documents containing audited financial statements
- Significant accounting policies
- Significant audit adjustments

All working papers and reports will be retained for a minimum of five (5) years, unless the Weaver is notified in writing of the need to extend the retention period.

Involvement in Professional Organizations

Working with Weaver means not just confidence in the result of your annual financial audit, but also year-round access to well-informed industry leaders who are literally just a phone call away.

With our years of experience serving government entities and involvement in standard setting bodies, our professionals will work with your engagement team to make sure you have access to industry insights, often even alerting you before major changes happen, and using this head start to efficiently and accurately coach you through potential issues.

Specific memberships and positions held by firm leaders include:

- Member, GFOA and its Special Review Committee
- Member, Government Finance Officers Association of Texas (GFOAT) and its Financial Reporting and Regulatory Response Committee
- Member, AICPA, its GAQC and its State & Local Government Expert Panel
- Member, Texas Society of Public Accountants (TXCPA) and its Professional Standards Committee Government Subgroup, TXCPA
- Member, Texas Association of School Business Officials (TASBO)

Approach for a Multi-Year Contract

We know that the value and efficiency of our service will only increase with the duration of our relationship with you.

Our capacity to provide constructive and creative advice regarding accounting matters is enhanced by a deeper understanding of your system's nuances and personnel organization. Though our basic approach to the audit won't change, each year our contract is extended will result in additional value to you thanks to increased efficiency, experience and our commitment to refining our services to meet your present and future needs.

We're committed to a long-term relationship with you. We consider the added time we take during the contract's first year to get to know you as an investment over the term of the engagement. In fact, because of our commitment to investing in you, we don't include the additional time related to a first-year audit in our audit hours estimate — this is just part of Weaver's everyday commitment to client service.

C) FIRM INFORMATION

Firm History

Weaver Tidwell, L.L.P. (Weaver) is a national audit and consulting firm with roots going back to 1950 when World War II veterans and friends, Lloyd Weaver and D. Wayne Tidwell, founded the business in Fort Worth, TX. Originally focused on providing audit and tax services to local businesses and individuals, Weaver's collaborative culture and reputation for putting clients first contributed to steady growth over the following decades.

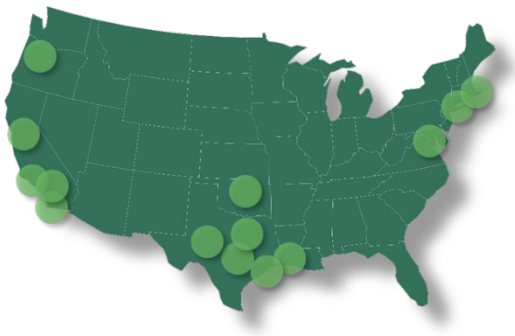
Today, our client base encompasses both public and private sector clients across a diverse range of industries. We've expanded our service offerings to include a variety of accounting, consulting and advisory services to meet client's evolving needs in an increasingly digital world.

Meet Weaver

With 20 offices from coast to coast and more than 1,600 professionals, including over 190 partners, we're committed to helping our public sector clients meet regulatory requirements, but we also bring a long-term perspective to help them improve their operations and services. By helping clients build mature, strategic processes and governance, we position them to effectively address problems, flag potential issues such as fraud or loss, and achieve compliance.

AT WEAVER, THERE ARE NO "ONE-SIZE-FITS-ALL" SOLUTIONS. We combine leading technical knowledge with specific industry experience to tailor highly customized services to each client's needs.

Our firm revenue for FY2024 was approximately $330M.



INDUSTRIES

- Government
- Not-for-profit
- Higher Education
- Real Estate
- Construction
- Hospitality & Entertainment
- Health Care
- Professional Services
- Private Equity
- Insurance
- Technology
- Blockchain & Digital Assets
- Alternative Investments
- Financial Services
- Banking
- Manufacturing
- Distribution & Logistics
- Oil & Gas
- Energy Transition & Renewables

SERVICES

ADVISORY SERVICES

- Risk Advisory Services
- IT Advisory Services
- Digital Transformation & Automation
- Government Consulting Services
- Asset Management Consulting
- Accounting Advisory Services
- Transaction Advisory Services
- Valuation Services
- Forensic & Litigation Services
- Family Office Services

ASSURANCE SERVICES

- Audit, Review & Compilation
- Agreed-Upon Procedures
- Employee Benefit Plan Audit
- SOC Reporting
- Attestation Services
- IFRS Assessment & Conversion

TAX SERVICES

- Federal Tax
- State & Local Tax
- International Tax
- Private Client Services

Our Government Focus / Size of the Governmental Audit Staff

With nearly 75 years of experience meeting the assurance needs of government entities, Weaver understands the complexities of your financial operations, the challenges and risks specific to municipalities, and the nuanced compliance requirements you must meet.

Weaver's dedicated government, higher education and not-for-profit audit practice is one of the largest industry practices in the firm, with more than 200 professionals are focused on the specific needs of these clients. We meet you where you are with customized services and flexible, scalable, multidisciplinary teams, and we never lose sight of our clients' need to be effective stewards of the public dollars that support their daily operations.

300+ PUBLIC SECTOR CLIENTS ANNUALLY

140+ MUNICIPALITIES & REGIONAL ENTITIES

35+ STATE AGENCIES

85+ EDUCATIONAL ENTITIES

SERVICE OFFERINGS

- External Audits
- Single Audits
- Risk Assessments
- Internal Audit
- Business Process Improvement
- Valuation
- Forensic Accounting
- Fraud Investigations
- Restructuring and Reorganization
- Strategic Planning
- Organizational Development
- And more

AICPA GAQC Member

Weaver leaders participate in key standard-setting bodies, including the **American Institute of Certified Public Accountants' (AICPA's)** Council, State & Local Government Expert Panel and Government Audit Quality Center (GAQC), and the **Government Finance Officers Association (GFOA)** Special Review Committee.

"Weaver is extremely knowledgeable in government finance, bringing us comfort that our books have been adequately audited. In addition, we sometimes need special audits and reviews performed. The firm has such a wide breadth of knowledge and disciplines within their organization that they have been able to assist us in every situation."

— **WEAVER GOVERNMENT CLIENT**

D) SERVICE OFFICE

Location of Office Performing the Work

Weaver has 20 offices coast to coast. The Agency's financial statement audit will be staffed from our Woodlands and Houston offices. The EBP audit will be staffed from our Dallas office.

In addition, all of Weaver's professionals work collaboratively across locations, so if engagement needs dictate, we're able to draw upon additional resources and in-house subject matter advisors.

With this leveraged model, Weaver can offer you a customized team that can adjust dynamically and quickly to meet your needs throughout all stages of the audit season. It also enables us to provide an efficient, effective audit with added innovation, thought leadership and insight.

Hybrid Work Plan: Efficient and Integrated

While being in person has historically been viewed as the most efficient way to work, Weaver is equally effective at working remotely.

For the Agency, we'll plan on conducting our procedures both at your physical location and from our home offices. This will allow us to be onsite for shorter periods of time to obtain the information and documentation we need, and then return to our offices to complete our work, allowing your team to focus on their daily job responsibilities.

Weaver has developed robust, efficient remote workflows and tools that enable us to complete even very large, complex engagements efficiently, effectively, on time and on budget.

Some of these practices leverage technology, while others are based on specific processes for performing walkthroughs, testing controls, documenting findings and communicating with clients.

E) REFERENCES

Similar Engagements with Other Government/Utility Entities

Our dedicated government practice is one of the largest industry practices in the firm and has the experience you need to provide continued excellence in service.

Below are similar engagements to The Agency. On the following page we have listed additional representative government clients.

1) John Baldwin
   Chief Financial Officer
   Coastal Water Authority
   JBaldwin@CoastalWaterAuthority.org
   713.658.0860

2) Tammy Tyrone
   Controller
   Dallas County Utility and Reclamation District
   ttyrone@dcurd.org
   972.556.0625 ext. 216

3) William Smith
   CFO
   City of Bryan
   wsmith@bryantx.gov
   979.209.5089

4) Cassey Ogden
   Assistant City Manager
   City of Denton
   Cassandra.Ogden@cityofdenton.com
   940.349.8307

"I'm pleased with our team of auditors. They're pleasant to work with, efficient, courteous and professional. When I have a question, they take time to explain the answer. If they don't know the answer, they research and get back with me."

– **WEAVER MUNICIPAL CLIENT**

Representative Government Clients

MUNICIPALITIES. City of Austin, TX | City of Allen, TX | City of Arlington, TX | City of Balch Springs, TX | City of Baytown, TX | City of Bedford, TX | City of Bryan, TX | City of Buda, TX | City of Burleson, TX | City of Cedar Park, TX | City of Charlottesville, VA | City of College Station, TX | City of Colleyville, TX | City of Coppell, TX | City of Corpus Christi, TX | City of Crockett, TX | City of Dallas, TX | City of Denton, TX | City of Euless, TX | City of Fort Worth, TX | City of Frisco, TX | City of Galveston TX | City of Garland, TX | City of Georgetown, TX | City of Grand Prairie, TX | City of Houston, TX | City of Irvine, CA | City of Irving, TX | City of League City, TX | City of Lewisville, TX | City of Little Rock, AR | City of Lubbock, TX | City of McAllen, TX | City of McKinney, TX | City of Midland, TX | City of Missouri City, TX | City of Moore, OK | City of Murphy, TX | City of Pflugerville, TX | City of Plano, TX | City of Rowlett, TX | City of Saginaw, TX | City of San Marcos, TX | City of Sherman, TX | City of Spring Valley Village, TX | City of Southlake, TX | City of Sugar Land, TX | City of Tomball, TX | City of Waco, TX | City of Watauga, TX | City of West University Place, TX | City of Wylie, TX | Town of Highland Park, TX | City & County of San Francisco, CA

LOCAL / REGIONAL ENTITIES. County of San Mateo, CA | Fort Bend County, TX | Guadalupe County, TX | Hays County, TX | Maricopa County, AZ | Midland County, TX | Orange County, CA | Parker County, TX | Pecos County, TX | Tarrant County, TX | Williamson County, TX | Los Angeles City Employees' Retirement System | Los Angeles County Employees Retirement Association | San Diego County Employees Retirement Association | Brazos Valley Council of Governments | Houston-Galveston Area Council | North Central Texas Council of Governments | Bexar Appraisal District | Montgomery Central Appraisal District | Odessa Development Corporation | Austin Water | Brushy Creek Regional Utility Authority | Coastal Water Authority | Dallas County Park Cities Municipal Utility District | Dallas County Utility and Reclamation District | Fort Bend County MUD 58 | Irving Flood Control District | Midland County Fresh Water Supply District No. 1 | Orlando Utilities Commission | North Texas Municipal Water District | Tarrant Regional Water District | Trinity River Authority | John Wayne Airport | Capital Metropolitan Transportation Authority | Dallas Area Rapid Transit (DART) | Los Angeles World Airports | North Texas Tollway Authority | Orange County Transportation Authority | Port of Corpus Christi | Trinity Metro | Medical Center Health System | Montgomery County Hospital District | Utah Transit Authority (UTA)

STATE GOVERNMENT. California Public Employees' Retirement System | California State Lottery Commission | California State Teachers' Retirement System | Cancer Prevention & Research Institute of Texas | Employees Retirement System of Texas | ERCOT | Lower Colorado River Authority | Mississippi Department of Environmental Quality | Nevada Department of Education | Nevada Department of Veterans Services | North Dakota Retirement & Investment Office | Oklahoma Office of Management & Enterprise Services | Oregon State Treasury | Service Oklahoma | State Bar of Texas | State Board of Administration of Florida | State of North Carolina - Department of Administration | North Dakota Department of Transportation | Oregon State Treasury | State of Washington Department of Retirement Systems | Tennessee Emergency Broadband Authority | Texas Board of Law Examiners | Texas Board of Nursing | Texas Commission on Law Enforcement | Texas Council for Developmental Disabilities | Texas Credit Union Commission | Texas Department of Information Resources | Texas Department of Licensing & Regulation | Texas Department of Motor Vehicles | Texas Department of State Health Services | Texas Emergency Services Retirement System | Texas General Land Office | Texas Health & Human Services Commission | Texas Higher Education Coordinating Board | Texas Lottery Commission | Texas Municipal Retirement System | Texas Permanent School Fund | Texas State Board of Pharmacy | Texas State Library & Archives Commission | Texas Veterans Commission | Texas Windstorm Insurance Association

HIGHER EDUCATION. Alamo Colleges District | Austin Community College District | Blinn College | College of the Mainland | Dallas Baptist University | Del Mar College | El Paso Community College | Kilgore College | Lamar State Orange College | Lamar University | Lee College | Lone Star College | Lubbock Christian University | St. Petersburg College | Tarleton State University | Tarrant County College District | Texas A&M University System | Texas A&M – Commerce | Texas A&M – Corpus Christi | Texas A&M International University | Prairie View A&M University | Texas Christian University | Texas Southern University | Texas State University | Texas Woman's University | Tyler Junior College | University of Houston – Clear Lake | University of Massachusetts | University of North Texas Health Science Center | University of Texas System | University of Texas at Arlington | University of Texas at Dallas | University of Texas at El Paso | University of Texas at San Antonio | University of Texas Permian Basin | UT MD Anderson Cancer Center | UT Southwestern Medical Center | University System of New Hampshire

K-12 EDUCATION. Aldine ISD | Alvin ISD | Barbers Hill ISD | Birdville ISD | Boerne ISD | Bryan ISD | Burleson ISD | Clear Creek ISD | College Station ISD | Conroe ISD | Cypress-Fairbanks ISD | Dallas ISD | Dayton ISD | Del Valle ISD | Richardson ISD | Round Rock ISD | Fayette County Public School | Fort Worth ISD | Frisco ISD | Grand Prairie ISD | Hempstead ISD | Highland Park ISD | Houston ISD | Hurst-Euless-Bedford ISD | Irving ISD | Klein ISD | Laredo ISD | Liberty ISD | New Caney ISD | Onalaska ISD | Plano ISD | Prosper ISD | Shepherd ISD | Splendora ISD | Rockwall ISD | Tarkington ISD | Tomball ISD | Waco ISD | Region 4 Education Service Center | Region 6 Education Service Center | Region 8 Education Service Center

weaver
Assurance • Tax • Advisory

EBP Representative Clients

From privately held companies with 100 participants to large, multi-state plans sponsored by publicly traded companies with more than 40,000 employees, Weaver's EBP professionals serve clients of all sizes and across all industry lines.

A representative cross-section of clients is illustrated below; specific client references are available upon request.

NOT-FOR-PROFIT ORGANIZATIONS

- American Quarter Horse Association
- Boys & Girls Clubs of Greater Tarrant County
- Buckner International
- Catholic Charities Diocese of Fort Worth
- East Texas Support Services, Inc.
- Girl Scouts of Northeast Texas
- Head Start of Greater Dallas
- Houston First Corporation
- Legal Aid of Northwest Texas
- LifeGift Organ Donation Center
- Perot Museum of Nature & Science
- Southwest Diagnostic Imaging Center
- Transitional Learning Center at Galveston

PUBLICLY TRADED COMPANIES

- Apache Corporation
- Baker Hughes, Inc.
- Callon Petroleum Company
- Chevron Phillips Chemical Company, L.P.
- Diamond Offshore Drilling, Inc.
- Halliburton
- KBR, Inc.
- National Oilwell Varco, Inc.
- Noble Drilling Services, Inc.
- Noble Energy, Inc.
- Occidental Petroleum Corporation (OXY) / Anadarko Petroleum Corporation
- Plains All American Pipeline, L.P.
- Shell Oil Company
- Southwestern Energy
- Stewart Title Guaranty Company
- Sysco Corporation
- Targa Resources Corp.
- Waste Management, Inc.

PRIVATELY HELD COMPANIES

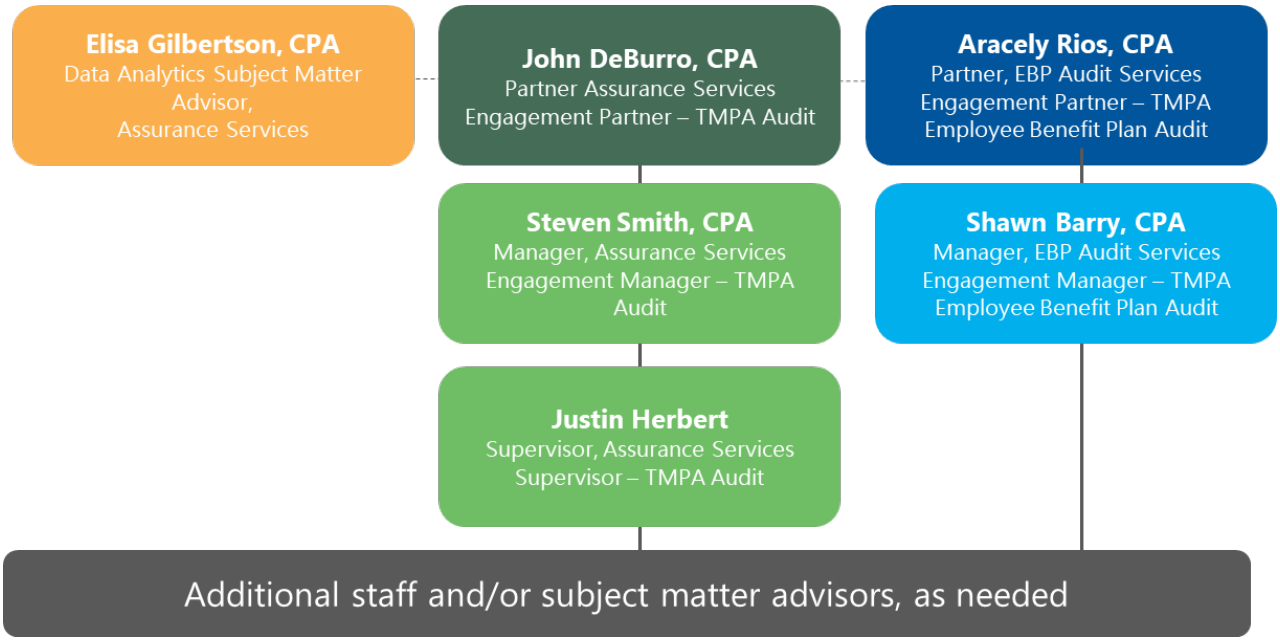
- Academy Sports + Outdoors
- American Air Liquide Holdings, Inc.
- American Midstream Partners, L.P.
- AXIP Energy Services, L.P.
- Baker Botts, L.L.P.
- Cimarron Energy, Inc.
- Eagleclaw Midstream Ventures, LLC
- EnerVest, Ltd.
- Fieldwood Energy, LLC
- Igloo Products Corp.
- Oasis Petroleum, Inc.
- Peak Completion Technologies, Inc.
- Reliance Energy, Inc.
- Sammons Enterprises, Inc.
- Sidewinder Drilling, LLC
- Texon, L.P.
- Topgolf
- Wayne Fueling Systems, LLC

F) SUMMARY OF STAFF EXPERIENCE

Proposed Audit Team

Weaver takes a function-specific approach to engagement staffing: We focus on leveraging the right resources at the right times, ensuring that teams are assigned based on the specific tasks required during each of the audit phases, as well as the timing of those tasks.

The people depicted in the organization chart below have all been chosen specifically for their understanding of The Agency operational structures and financial reporting requirements.



Qualifications for key team members, including information regarding educational background and professional licenses held, are provided on the following pages.

Weaver's hands-on experience with municipal operations means we can approach your audit in the most efficient manner possible. **We consistently look for ways to bring a valuable perspective to be sure that we're adjusting to lessons learned, changes in your operations, industry trends and the evolution of best practices.** Throughout our service to you, we'll balance efficiency and innovation to bring you the best audit experience possible.

John DeBurro, CPA | Partner, Assurance Services

Engagement Partner – TMPA Audit

John has more than 20 years of experience leading audits for municipalities and other governmental entities. He manages annual financial audits for entities with government-wide net positions in excess of $500 million, prepares audit reports for numerous entities that receive the GFOA award, and researches proper accounting for complex transactions to assist clients with the implementation of new accounting standards. With John's extensive government experience, he is a sought-after speaker for industry conferences and trainings.

Representative Clients

- Texas Municipal Power Agency (TMPA)
- Dallas County Reclamation District
- Coastal Water Authority
- Texas Coalition for Affordable Power
- Irving Flood Control Districts I and III
- City of College Station
- City of Coppell
- City of the Colony
- City of Denton
- City of Frisco
- City of Galveston
- City of Greenville
- City of Keller
- City of League City
- City of Lewisville
- City of McKinney
- City of Midlothian
- City of Murphy
- City of Southlake
- City of W. University Place
- City of Wylie
- Town of Fairview
- Town of Little Elm
- Town of Trophy Club
- Town of Westlake
- Frisco ISD
- Plano ISD
- Waco ISD
- Allen ISD
- Highland Park ISD
- Reeves County
- Trophy Club Municipal Utility District

Professional Involvement, Certifications and Education

- Member, TXCPA and Chair of its Professional Standards Committee Government Subgroup
- Member, AICPA, GFOA and the GFOA Special Review Committee
- Member, GFOAT and its Financial Reporting and Regulatory Response Committee
- Member, Planning Committee, Texas School Districts Annual Accounting and Auditing Conference and Chair of the Single Audits and Governmental Accounting &Auditing Conference
- Master of Science, New Hampshire College
- Bachelor of Business Administration, University of New Hampshire

Strive to transcend client expectations, *always*.

John says: "My favorite core value is **Strive to transcend client expectations, *always*.** Great customer service is a difference-maker. If we don't take care of our clients, someone else will!"

Aracely Rios, CPA| Partner, Assurance Services

Engagement Partner – TMPA Employee Benefit Plan Audit

Aracely has more than 18 years of experience auditing governmental, not-for-profit and higher education entities. Aracely is a full-time employee benefit plan services team assurance partner. She is responsible for managing numerous employee benefit plan audits and consulting with plan sponsors, and has extensive knowledge of accounting and technical reporting standards.

She has planned and supervised numerous types of employee benefit plan audits, including pension, defined contribution (savings, ESOP and 401k/403b) plans, defined benefit plans, and master trust investment accounts. Aracely also has extensive experience preparing Annual Comprehensive Financial Reports (ACFR) that meet the requirements of the GFOA

Representative Clients

- Employees' Retirement Fund of the City of Dallas
- Midland Firemen's Relief and Retirement Fund
- City of Plano Retirement Security Plan
- City of Plano Section 115 Plan
- City of Irving Supplemental Benefit Plan
- Head Start of Greater Dallas 403(b) Thrift Plan
- Legal Aid of NorthWest Texas 401(k) Profit-Sharing Plan
- El Paso Electric Company Retirement Income Plan
- Mack Energy Corporation Defined Benefit Retirement Plan
- Houston Firefighter's Relieve and Retirement Fund

Professional Involvement, Additional Certifications and Education

- Member, TXCPA and AICPA
- Deputy Treasurer, National Hispanic Bar Association
- Past VP of Student Affairs, Association of Latino Professionals in Finance and Accounting (ALPFA)
- Past Treasurer, Mi Escuelita Preschool
- Member, Junior League of Dallas
- Bachelor of Science, accounting, University of North Texas

Help each other succeed at work and in life.

Aracely says: "My favorite core value is **Help each other succeed at work and in life.** The culture we've built by helping each other succeed not only makes this a great place to work but also helps us give our clients a better experience through collaboration and supporting each other."

Steven Smith, CPA | Manager, Assurance Services

Engagement Manager – TMPA Audit

Steven has more than seven years of experience auditing various governmental entities including cities, counties, regional planning commissions, mental health and intellectual and developmental disability (IDD) authorities, colleges, and independent school districts. He has extensive knowledge of generally accepted accounting principles and GASB standards and is skilled at performing audits under GAAS and GAGAS.

Representative Clients

- City of Galveston
- City of Midlothian
- City of Port Arthur
- City of Missouri City
- City of Odessa
- City of Woodbranch Village
- City of Caldwell
- Bowie County
- Galveston County
- Denton County
- Crosby ISD
- Sheldon ISD
- Klein ISD
- Alvin ISD
- Waco ISD
- Splendora ISD
- Texas City ISD
- Coastal Water Authority
- The Harris Center for Mental Health and IDD
- Alamo Area Council of Governments
- Lone Star College System

Professional Involvement and Recognition Education and Certifications

- CPA in Texas
- Member of the TXCPA.
- Master of Science in Accounting from the University of Houston – Clear Lake
- Bachelor of Business Administration, accounting from the University of Mary Hardin-Baylor

Strive to transcend client expectations, always.

Steven says: "My favorite core value is: **Strive to transcend client expectations, always.** I am committed to consistently meeting and exceeding client expectations by getting to know them and showing them exceptional service."

Shawn Barry, CPA | Manager, Assurance Services

Engagement Manager – TMPA Employee Benefit Plan Audit

Shawn is an employee benefit plan services team manager with more than four years of experience auditing defined contribution and benefit plans sponsored by publicly traded companies (including those that sponsor multiple plans) and privately owned entities. He works with the leadership team and is involved in the overall performance of fieldwork, closely monitoring day-to-day performance of engagements and team members. Shawn focuses on larger private/publicly traded clients in various industries.

Representative Clients

- Girl Scouts of Northeast Texas 403 (b)
- El Paso Electric Company Savings Plan
- El Paso Electric Company Savings Plan for Collective Bargaining Employees
- El Paso Electric Company Retiree Welfare Benefits Plan
- Retirement Income Plan for Employees of El Paso Electric Company
- The Chase Group 401(k) Plan
- Mack Energy Corporation 401(k) Plan
- Mack Energy Corporation Defined Benefit Retirement Plan

Professional Involvement and Recognition Education and Certifications

- CPA in Texas
- Master of Science, Accounting, Texas Tech University
- Bachelor of Business Administration, Accounting, Texas Tech University

Respect everyone for who they are and what they contribute, no matter

Shawn says, "My favorite core value is **Respect everyone for who they are and what they contribute, no matter how different**. You won't get along with everyone you meet in life, but that shouldn't stop you from working with them. People provide value with their work even if your personalities clash."

Justin Herbert | Supervisor, Assurance Services

Engagement Supervisor – TMPA Audit

For 11 years, Justin has performed financial audits for government entities such as cities, counties and school districts. He is skilled in applying single audit standards, government auditing standards and AU guidelines, as well as preparing financial reports that meet recognition standards of the Government Finance Officers Association (GFOA). Justin further supports his clients by providing advisory services to help them improve their computer systems, business procedures and compliance with state, federal, and local board policies.

Representative Clients

- Coastal Water Authority
- Montgomery County
- Walker County
- Hardin County
- Polk County
- City of College Station
- City of Conroe
- Bryan ISD
- College Station ISD
- Cypress-Fairbanks ISD
- Pasadena ISD
- Tomball ISD
- Waco ISD
- Houston ISD
- Education Service Center Region VI.

Education and Certifications

- Bachelor of Business Administration, Accounting, Sam Houston State University

Keep perspective: Be passionate and diligent, and have fun.

Justin says: "My favorite core value is: **Keep perspective: Be passionate and diligent and have fun.** Having fun in the workplace is important. It helps to keep everyone motivated and excited about everything that we do, and leads us to better serve our clients."

Elisa Gilbertson, CPA | Data Analytics Subject Matter Advisor, Assurance Services

Elisa has broad experience in both public accounting and in-house financial management. She has managed financial reporting for a governmental entity with almost $600 million in annual expenditures. She has also performed financial audits and single audits for clients with budgets nearing $2 billion.

Elisa leverages her understanding of financial statements and her skills in advanced data analytic techniques to help clients review and reconcile very large data sets. She has assisted cities, school districts, utilities and a state Department of Economic Development unit with identifying and isolating areas of inconsistency, error and fraud. Her team uses a client-specific, phased approach to analytics to support management in assessing its adherence to policies and potential issues in internal control. Elisa's work has identified errors and/or fraud in payroll, expenditures, state funding and other high-risk areas.

Representative Client Experience

- City of Allen
- City of Anna
- City of Bedford
- City of Benbrook
- City of Bryan
- City of Cleveland
- City of Colleyville
- City of Conroe
- City of Copperas Cove
- City of Corpus Christi
- City of Euless
- City of Fort Worth
- City of Frisco
- City of Garland
- City of Georgetown
- City of Grand Prairie
- City of Irving
- City of Jasper
- City of League City
- City of Lubbock
- City of McAllen
- City of Missouri City
- City of Murphy
- City of Odessa
- City of Port Arthur
- City of Rowlett
- City of Saginaw
- City of Southlake
- City of Splendora
- City of The Colony
- City of West University Place
- City of Wylie
- South Milwaukee Water Utility
- Fredonia Water and Sewer Utility
- Franklin Water Utility
- Town of Brookfield – Sanitary District #4
- City of Wylie Water Utility

Professional Involvement, Certifications and Education

- Member, TXCPA, Wisconsin Society of Certified Public Accountants (WICPA) and AICPA
- AICPA Advanced Single Audit Certification
- Master of Public Accountancy, international emphasis, and Bachelor of Business Administration, accounting and finance, University of Wisconsin-Whitewater

Help each other succeed at work and in life.

Elisa says: "My favorite core value is **Help each other succeed at work and in life**. We're here to get to know our clients and help them be successful. All interactions should be approached with an open mindset and the awareness that we don't know what others might be going through."

Team Continuity

Personnel shake-ups happen frequently in many firms, creating broken and segmented teams and resulting in the loss of important intrinsic knowledge. We understand how frustrating it is to get a team member up to speed only to learn that they'll be rotated off the engagement.

Our people are the foundation of our business and the core of everything we do. The quality of our staff directly translates to the quality of our work for clients. As a result, **we take employee retention and continuity very seriously.**

Although no firm is immune to the factors that lead to turnover and rotation, Weaver makes continuity of a cohesive, stable engagement team a service priority throughout a client relationship. When our engagement teams do rotate or change, we take steps to quickly bring new members up to speed on the client relationship and engagement, facilitating an efficient transition. This is a true differentiator for Weaver.

Continuing Professional Education

The firm's continuing professional education (CPE) policy complies with the revised government auditing standards requirement regarding formal education for professionals responsible for planning, conducting or reporting on government audit engagements.

All the audit team members have met, and will continue to meet, the generally accepted government auditing standards (GAGAS) requirement for CPE, which is 80 hours of CPE every two years, with a minimum of 20 hours of CPE in each year of that period and at least 24 hours relating to governmental audit environment.

Weaver provides extensive customized, in-house training on government audit standards and firm audit methodologies every year. Representative annual CPE courses offered to the proposed audit staff include:

- *State and Local Government Audit Planning Considerations*
- *Single Audit (includes financial statement and UG internal control requirements)*
- *Ethics: An Overview for Texas CPAs*
- *Sampling and Revenue Testing Training*
- *Governmental Accounting and Financial Reporting*

This internal training is supplemented by external classes, workshops, seminars and conferences as needed to meet CPE requirements and specific client needs.

All staff assigned to your engagement comply with requirements for professionals who plan, conduct or report on government audit engagements.

G) COST

Cost efficiency is a Weaver hallmark. We pride ourselves on offering extensive capabilities at a reasonable cost. Our pricing reflects the level of insight and technical knowledge our team brings, focused on helping you meet both your immediate objectives and your long-term goals.

Weaver is committed to working with you to develop a conscious, cost-effective fee structure that reflects your unique needs — we want our relationship with you to be long-term and mutually beneficial.

Total Estimated Hours and Fees by Staff Level – Agency Audit

FY2025

Staff Level	Hours	Discounted Hourly Rates	
Partners	35	$345	$12,075
Managers	55	$210	$11,550
Supervisory Staff	110	$150	$16,500
Associate	100	$140	$14,000
Total	**300**	**---**	**$54,125**

FY2026

Staff Level	Hours	Discounted Hourly Rates	
Partners	35	$345	$12,075
Managers	55	$215	$11,825
Supervisory Staff	110	$155	$17,050
Associate	100	$145	$14,500
Total	**300**	**---**	**$55,450**

FY2027

Staff Level	Hours	Discounted Hourly Rates	
Partners	35	$355	$12,425
Managers	55	$220	$12,100
Supervisory Staff	110	$160	$17,600
Associate	100	$145	$14,500
Total	**300**	**---**	**$56,625**

FY2028

Staff Level	Hours	Discounted Hourly Rates	
Partners	35	$360	$12,600
Managers	55	$230	$12,650
Supervisory Staff	110	$160	$17,600
Associate	100	$150	$15,000
Total	**300**	**---**	**$57,850**

FY2029

Staff Level	Hours	Discounted Hourly Rates	
Partners	35	$365	$12,775
Managers	55	$230	$12,650
Supervisory Staff	110	$170	$18,700
Associate	100	$150	$15,000
Total	**300**	**---**	**$59,125**

Total Estimated Hours and Fees by Staff Level – Pension Plan Audit

FY2025

Staff Level	Hours	Discounted Hourly Rates	
Partners	10	$210	$2,100
Managers	20	$125	$2,500
Supervisory Staff	50	$90	$4,500
Associate	70	$84.50	$5,915
Total	**150**	**---**	**$15,015**

FY2026

Staff Level	Hours	Discounted Hourly Rates	
Partners	10	$210	$2,100
Managers	20	$127	$2,540
Supervisory Staff	50	$97	$4,850
Associate	70	$88	$6,160
Total	**150**	**---**	**$15,650**

FY2027

Staff Level	Hours	Discounted Hourly Rates	
Partners	10	$220	$2,200
Managers	20	$134	$2,680
Supervisory Staff	50	$100	$5,000
Associate	70	$90	$6,300
Total	**150**	**---**	**$16,180**

FY2028

Staff Level	Hours	Discounted Hourly Rates	
Partners	10	$220	$2,200
Managers	20	$136	$2,720
Supervisory Staff	50	$105	$5,250
Associate	70	$95	$6,650
Total	**150**	**---**	**$16,820**

FY2029

Staff Level	Hours	Discounted Hourly Rates	
Partners	10	$220	$2,200
Managers	20	$136	$2,720
Supervisory Staff	50	$110	$5,500
Associate	70	$100	$7,000
Total	**150**	**---**	**$17,420**

Out-of-Pocket Expenses and Administrative Costs

The rates quoted are all-inclusive. We don't charge for out-of-pocket expenses such as printing, report production and similar administrative costs. Routine meetings and accounting advice in the ordinary course of business are also considered part of our role as your professional services provider and aren't charged as a separate fee.

Questions and Communications

We encourage you to contact us with routine questions throughout the engagement, and throughout the year.

We won't bill you for general inquiries nor for the time to learn the nuances of your operations. We see all of this as an investment in building a long-term relationship with you.

For questions that require substantial research, or if it should become necessary to change the existing scope — either to supplement the services requested or to perform additional work because of specific recommendations — we'll discuss project details with you and agree on a pricing structure before beginning work. Typically, additional work is negotiated based upon the timing of the services needed and skill level required.

H) RATE SCHEDULE

Audit Segmentation, Staffing and Hours

Throughout the audit, our decisions are guided by two simple goals: what will best serve your needs, and what will produce the highest quality yet most efficient audit.

At a high level, ours is a big picture approach. We take the time to consider how your operations and accounting processes relate to your internal control systems and the responsibilities of your existing personnel.

We'll also discuss our planned audit procedures with management, weighing the benefits / efficiency of existing controls and determining the degree to which they can be leveraged to reduce the level of effort, without compromising quality.

An overview of the key segments of our methodology and estimated timeline is provided below; as part of our planning stage, we'll meet with management to develop a final, mutually agreed-upon timeline.

We have provided the hours and hourly rates per staff level in the section above G) COST.

PHASE	KEY PURPOSE & ACTIVITIES	STAFF	AGENCY AUDIT TIMING	AGENCY AUDIT HOURS	PLAN TIMING	PLAN HOURS
Planning & Risk Assessment	We will understand your priorities and risks, finalize the audit plan, and compile document requests.	Partner, Manager, Senior Associate	Upon award	20	Upon award	12
Control Documentation & Preliminary Fieldwork	We will document and test, as applicable, internal controls and identify key risks.	Partner, Manager, Senior Associate, Associates	June/July 2025	40	N/A	16
Final Fieldwork	We will perform substantive testing and data analysis, prepare work papers and communicate any identified issues.	Partner, Manager, Senior Associate, Associates	October/ November 2025	180	January 2026	100
Financial Review & Quality Control	We will compile our draft reports, perform technical reviews, confirm findings with management and incorporate feedback, as applicable; draft financial statements reviewed and feedback provided.	Partner, Manager, Senior Associate, Associates	November 2025	60	February 2026	22
Reporting	We will deliver final reports and other deliverables to management, and present results, as applicable.	Partner, Manager, Senior Associate	By December 1, 2025		By March 1, 2026	

Addressing Scope Changes

There should never be surprises when it comes to costs. Once the annual audit plan and corresponding fee estimate are complete and approved, we don't expect the cost of the engagement to exceed this initial cost estimate.

However, there are situations that can trigger the need for additional services, such as significant changes in client operations, auditing standards, or to address issues identified during the audit. If it should ever become necessary to change the existing scope, we'll discuss project details with you and agree on a pricing structure before beginning additional services.

Keeping fees transparent and reasonable is just one way we demonstrate a commitment to our clients. If you're ever unsatisfied with your fee, please don't hesitate to let us know.

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National reach. **Customized** approach. **Relationship** focused.

Stay *connected.*

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