



## CITY OF BRADY COUNCIL AGENDA SPECIAL CITY COUNCIL MEETING OCTOBER 1, 2019 AT 4:30 PM

NOTICE is hereby given of a meeting of the City Council of City of Brady, McCulloch County, State of Texas, to be held at 4:30pm on October 1, 2019, at the City of Brady Municipal Court Building, located at 207 S. Elm Street, Brady, Texas, for the purpose of considering the following items. The City Council of the City of Brady, Texas, reserves the right to meet in closed session on any of the items listed below should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

### 1. CALL TO ORDER, ROLL CALL & CERTIFICATION OF A QUORUM

Tony Groves  
Mayor

Rey Garza  
Council Member Place 1

Missi Davis  
Council Member Place 2

Jeffrey Sutton  
Council Member Place 3

Jane Huffman  
Mayor Pro Tem  
Council Member Place 4

Jay May  
Council Member Place 5

Dennis Jobe  
Interim City Manager

Tina Keys  
City Secretary

Sarah Griffin  
City Attorney

### **MISSION**

The City of Brady strives to share its history and encourage the development of diverse housing, employment, infrastructure, and opportunity through transparent management and financing for all residents and employees.

### 3. PUBLIC COMMENTS: Reserved for items NOT listed on the agenda

*Please limit individual public comments to three (3) minutes. In accordance with TX AG opinion, any public comment addressing items not on the agenda, will only be heard by the City Council. No formal action, deliberation, discussion, or comment will be made by City Council. State Law prohibits any deliberation or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff to place the item on an agenda for a subsequent meeting.*

### 4. CONSENT AGENDA: Reserved for routine items to save time

*Any item may be removed from the Consent Agenda at the request of a Council Member and considered separately following the Consent Agenda approval. All items listed on the Consent Agenda are to be with one motion "Move to approve Consent Agenda."*

- A. Approval of Minutes for Regular Meeting on September 17, 2019.

### 5. PRESENTATION

None

### 6. PUBLIC HEARING:

None

### 7. INDIVIDUAL CONCERNS

*City Council Members are to deliberate the following items. Staff will present the item and are prepared to answer City Council Member questions. The Mayor will recognize Council Members as the council discussed the item so everyone is heard. Once the City Council Members finish discussion, the Mayor will recognize attendees who have comments. Attendees and council members need to direct comments to the Mayor as they are recognized. When all comments are complete, the Mayor will call for a motion.*

- A. Discussion, consideration and possible action on Resolution 2019-035 regarding nominations for the McCulloch County Appraisal District Board of Directors

- B. Discussion, consideration and possible action to engage Haynie & Company to audit the City's financial statements for fiscal year 2019 and issue a formal report of financial statements and findings.
- C. Discussion regarding interlocal agreement with McCulloch County for fire and EMS services.
- D. Discussion and summary of City Council action and if procedures and processes worked.
- E. Discussion by City Council of City improvements to be recognized

## 8. STAFF REPORTS

None

## 9. ANNOUNCEMENTS

Pursuant to the Texas Government Code § 551.0415, City Council Members and City staff may make reports about items of community interest during a meeting of the governing body without having given notice of the report. Items of community interest include: Expressions of thanks, congratulations, or condolence; an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision; Information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; and announcements involving an imminent threat to public health and safety of people in the municipality that has arisen after the posting of the agenda.

## 10. EXECUTIVE SESSION

None

## 11. OPEN SESSION ACTION ON ANY ITEMS COMING OUT OF EXECUTIVE SESSION

## 12. ADJOURNMENT

*I certify that this is a true and correct copy of the City of Brady City Council Meeting Agenda and that this notice as posted on the designated bulletin board at Brady City Hall, 201 E. Main St., Brady, Texas 76825; a place convenient and readily accessible to the public at all times, and said notice was posted on \_\_\_\_\_ by 6:00 p.m. and will remain posted continuously for 72 hours prior to the scheduled meeting pursuant to Chapter 551 of the Texas Government Code.*

Tina Keys, City Secretary

In compliance with the American with Disabilities Act, the City of Brady will provide for reasonable accommodations for persons attending public meetings at City facilities. Requests for accommodations or interpretive services must be received at least 48 hours prior to the meeting. Please contact the City Secretary at 325-597-2152 or [citysec@bradytx.us](mailto:citysec@bradytx.us).

**Attendance by Other Elected or Appointed Officials:** It is anticipated that members of other governmental bodies, and/or city boards, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the body, board, commission and/or committee. The members of the boards, commissions and/or committees may be permitted to participate in discussion on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless item and action is specifically provided for on an agenda for that body, board, commission or committee subject to the Texas Open Meetings Act.

The City Council of the City of Brady reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on this agenda as authorized by the Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations regarding Real Property), 551.073 (Deliberations regarding prospective Gifts or Donations), 551.074 (Personnel Matters), 551.076 (Deliberations regarding Security Devices), 551.086 (Deliberate, vote or take final action on competitive matters of the public power utility), and 551.087 (Deliberation regarding Economic Development).

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes written interpretation of the Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.104(c) and the meeting is conducted by all participants in reliance on this opinion.

20 STATE OF TEXAS

COUNTY OF McCULLOCH

CITY OF BRADY

The City Council of the City of Brady, Texas met in a Regular Meeting on Tuesday, September 17, 2019 at 6:00 pm at the City of Brady Municipal Court Building located at 207 S. Elm Street, Brady, Texas with Mayor Pro Tem Jane Huffman presiding. Council Members present were Missi Davis, Jay May, Jeffrey Sutton and Rey Garza. City staff present were Interim City Manager Dennis Jobe, Finance Director Lisa Remini, Public Works Director Steve Miller, Police Chief Steve Thomas, Water Superintendent Gary Jacobson, Asst City Secretary Marissa Sanchez and City Secretary Tina Keys. Also in attendance were Ed Hernandez, Erin Sosa, Chris Wilde, T.J. Turk and Vicki Brown.

**1. CALL TO ORDER, ROLL CALL & CERTIFICATION OF A QUORUM**

Mayor Pro tem Huffman called the meeting to order at 6:00 p.m. Council quorum was certified.

**2. INVOCATION AND PLEDGE OF ALLEGIANCE**

Council Member May gave the invocation and the Pledge of Allegiance was recited.

**3. PUBLIC COMMENTS**

There were no comments.

**4. CONSENT AGENDA**

- A. Approval of Minutes for Regular Meetings on September 3, 2019
- B. Discussion, consideration and possible action regarding Resolution 2019-033 for the temporary closure of certain streets in the City of Brady on October 1, 2019 from 6:00 p.m. to 10:00 p.m. for National Night Out Block Parties

Erin Sosa discussed the National Night Out program and asked for council members participation.

Council Member Davis moved to approve the consent agenda. Seconded by Council Member Garza. All Council Members voted “aye” and none “nay”. Motion passed with a 5–0 vote.

**5. PRESENTATIONS:**

Proposed Major Water Distribution Capital Outlay – Projects. Steven Miller presented.

**6. PUBLIC HEARINGS:**

There were no public hearings

**7. INDIVIDUAL CONCERNS**

- A. Discussion, consideration and possible action regarding the second and final reading of Ordinance 1281 of the City of Brady, Texas to adopt the FY 2020 Budget. Lisa Remini presented. Council Member Davis moved to approve. Seconded by Council Member May.

Roll Call Vote:

Jane Huffman - Aye

Rey Garza - Aye

Missi Elliston - Aye

Jeffrey Sutton - Aye

Jay May - Aye

All Council Members voted “aye” and none “nay”. Motion passed with a 5 - 0 vote.

B. Discussion, consideration and possible action regarding the second and final reading of Ordinance 1282 of the City of Brady, Texas to adopt the 2019 Property Tax Rate. Lisa Remini presented. Council Member May moved to approve Ordinance 1282. Seconded by Council Member Davis.

Roll Call Vote:

Jane Huffman - Aye

Rey Garza - Aye

Missi Elliston - Aye

Jeffrey Sutton - Aye

Jay May - Aye

All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.

C. Discussion, consideration and possible action regarding the second and final reading of Ordinance 1283 of the City of Brady, Texas to adopt the 2020 Fee Schedule. Dennis Jobe presented. Council Member May moved to approve Ordinance 1283. Seconded by Council Member Davis.

Roll Call Vote:

Jane Huffman - Aye

Rey Garza - Aye

Missi Elliston - Aye

Jeffrey Sutton - Aye

Jay May - Aye

All Council Members voted “aye” and none “nay”. Motion passed with a 5 - 0 vote

D. Discussion, consideration and possible action regarding the second and final reading of Ordinance 1284 of the City of Brady, Texas to amend FY 2019 current budget – an amount of \$95,500 to address the underfunded FY 2019 capital project for upgrade to Simpson Street Water Line from 1” to 6”. Steven Miller presented. Council Member Davis moved to approve Ordinance 1284. Seconded by Council Member Garza. All council members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.

E. Discussion, consideration and possible action regarding awarding the upgrade of Simpson / Jordan Street Water Main from 1” to 6” to the lowest possible bidder – Roto, Inc. dba Roberts Construction Co., San Angelo, an additive alternate bid amount of \$114,135. Steven Miller presented. Council Member Sutton moved to approve base bid including alternate 5 only for a total of \$114,135 to Roto, Inc.. Seconded by Council Member Davis. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.

F. Discussion and summary of City Council action regarding nominations for McCulloch County Appraisal District Board of Directors. There was discussion as to whether Matt McBee could serve as he is moving out of the County. Mayor Pro Tem Huffman nominated Reed Williams and Cynthia Quinn. Council Member Sutton moved to approve the nomination of Williams and Quinn. Seconded by Council Member Garza. All Council Members voted “aye” and none “nay”. Attorney Griffin noted that the item needed to be passed by Resolution so it will be brought back before Council as a Resolution after confirmation of McBee’s eligibility.

G. Discussion, consideration and possible action regarding acceptance of a contribution from the Live Oak Cemetery Association of Brady, Inc. for the paving and repair of roads in Live Oak

Cemetery. Dennis Jobe presented. Council Member May moved to approve the donation. Seconded by Council Member Davis. All Council members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.

- H. Discussion, consideration and possible action regarding Resolution 2019-031 adopting the City’s Investment Policy and appoint a Council Member to the FY 20 Investment Committee. Lisa Remini presented. Council Member Davis moved to appoint Council Member Huffman to the Investment Committee. Seconded by Council Member Garza. Council Member Davis moved to approve Resolution 2019-031 with Jane Huffman serving on Committee. Seconded by Council Member Sutton. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.
- I. Discussion, consideration and possible action regarding Resolution 2019-034 to rescind Resolution # 2016-006 which established in-service work days. Jane Huffman and Dennis Jobe presented. Council Member Davis moved to approve Resolution 2019-034. Seconded by Council Member Garza. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.
- J. Discussion and summary of City Council action and, if procedures and processes worked.
- K. Discussion by City Council of City improvements to be recognized. Council Member Garza commented that the street crews are doing a tremendous job.

## 8. STAFF REPORTS

- A. **Monthly Financial / Utility Reports:**
- B. **Monthly Activity Reports:** Visit Brady Report, Seniors, Golf, BPD, Fire-EMS Calls, BVFD Expense Report, Animal Control, Airport, Code Enforcement, Chronic Code Complaints, and Structures Inhabited without utilities
- C. **Upcoming Special Events/Meetings:**  
Sept 14-15 - Tres Amigos Golf Tournament  
Sept 17 – City Council Work and Regular Session

## 9. ANNOUNCEMENTS

Dennis Jobe commented that the Senior Center got a grant for a new freezer.

## 10. EXECUTIVE SESSION

Regular Session was closed at 7:00 p.m. and Council took a break before going into Executive Session. Executive Session was opened at 7:15 p.m. Executive Session was closed at 7:21 p.m.

- Pursuant to Section 551.074 (Personnel Matters) City Council will meet to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Attorney Denton, Navarro, Rocha, Bernal and Zech
- Pursuant to Section 551.071 (Consultation with Attorney) City Council will meet consult with the City Attorney regarding IRS legal issues in relation to TML Benefits filings

## 11. OPEN SESSION ACTION ON ANY ITEMS COMING OUT OF EXECUTIVE SESSION

Mayor Pro tem Huffman opened regular session at 7:23 p.m.

- a. Consider possible action regarding City Attorney. Council Member Davis moved to authorize the Interim City Manager Dennis Jobe to sign a letter of engagement with Denton Navarro Rocha Bernal and Zech. Seconded

by Council Member Garza. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0.

b. Discussion, consideration and possible action regarding Resolution 2019-032 authorizing TML’s law firm of Mitchell Williams to represent the City of Brady before the IRS to resolve proposed IRS penalties and to authorize the City Manager to execute a Power of Attorney for same. Council Member Davis moved to approve Resolution 2019-032. Seconded by Council Member Garza. All Council Members voted “aye” and none “nay”. Motion passed with a 5 – 0 vote.

## **12. ADJOURNMENT**

There being no further business, the Mayor adjourned the meeting at 7:25 p.m.

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Mayor Pro Tem Jane Huffman

Attest: \_\_\_\_\_

Tina Keys, City Secretary

# City Council

## City of Brady, Texas

### Agenda Action Form

<b>AGENDA DATE:</b>	10/01/2019	<b>AGENDA ITEM</b>	X.X.
<b>AGENDA SUBJECT:</b>	Discussion, consideration and possible action regarding Resolution 2019-035 approving nominations for McCulloch County Appraisal District Board of Directors		
<b>PREPARED BY:</b>	Tina Keys	<b>Date Submitted:</b>	10/01/2019
<b>EXHIBITS:</b>	Resolution 2019-035 Copy of letter to taxing entities regarding nominations for Members of the McCulloch County Appraisal District Board of Directors		
<b>BUDGETARY IMPACT:</b>	<b>Required Expenditure:</b>	\$00.00	
	<b>Amount Budgeted:</b>	\$00.00	
	<b>Appropriation Required:</b>	\$00.00	
<b>CITY MANAGER APPROVAL:</b>			
<b>SUMMARY:</b>			
Members of the McCulloch County Appraisal District Board of Directors are up for election and each voting entity must nominate Board Members and report the nomination to the Chief appraiser. Once your nominations are made, the City Secretary will report to McCulloch County Appraisal District on your behalf.			
The following Board Members terms are expiring 12/31/2019 and all have agreed to serve again:			
<ul style="list-style-type: none"> <li>➤ Reed Williams</li> <li>➤ Cynthia Quinn</li> <li>➤ Matt McBee</li> </ul>			
<b>RECOMMENDED ACTION:</b>			
Nominate Board Members for the McCulloch County Appraisal District Board of Directors and approve Resolution 2019-035.			

## **RESOLUTION 2019-035**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRADY, TEXAS NOMINATING BOARD MEMBERS TO THE MCCULLOCH COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS.**

**WHEREAS**, the McCulloch County Appraisal District (MCCAD) Board of Directors has three members of its board whose terms will expire on December 31, 2019; and

**WHEREAS**, The Appraisal District has asked each of its taxing entities to nominate members to fill these expiring terms; and

**WHEREAS**, the City Council of the City of Brady has met and made the following nominations being Reed Williams, Cynthia Quinn and Matt McBee.

### **NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL, CITY OF BRADY, TEXAS:**

The City of Brady hereby nominates \_\_\_\_\_ for the McCulloch County Appraisal District Board of Directors.

**PASSED AND APPROVED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**CITY OF BRADY:**

\_\_\_\_\_  
Anthony Groves, Mayor

Attest: \_\_\_\_\_

Tina Keys, City Secretary



**MC CULLOCH COUNTY APPRAISAL DISTRICT**  
**306 W. LOCKHART, BRADY, TEXAS 76825**  
PHONE: 325-597-1627 FAX: 325-597-2408  
E-MAIL: [zane@mccullochcad.org](mailto:zane@mccullochcad.org)  
**ZANE BRANDENBERGER, R.P.A.,R.T.A.,C.C.A.**  
**CHIEF APPRAISER**

August 28, 2019

RE: Board of Directors Nomination Letter

To All Voting Taxing Entities:

As required by state law, I am notifying you of the elections process for the Board of Directors of the McCulloch County Appraisal District. The process begins with this notice letting you know the number of votes to which your taxing unit is entitled. This year there are 3 Board of Directors that will have to be elected. For each Board of Director position there are a total of 1,000 votes. Meaning this year there will be a total of 3,000 votes. Below is a copy of all the taxing units eligible to vote and their vote allocations. The allocations are based on the total 2018 tax levies of each taxing unit. The following is a breakdown of how many votes your entity will receive this year.

**CALCULATION OF VOTES FOR BOARD OF DIRECTORS-2019 ELECTION**

Tax Unit	2018 Levy	Percent of Total	Total Vote Eligibility
McCulloch County	\$4,435,466.95	32.4%	972
City of Brady	\$980,567.38	7.2%	215
City of Melvin	\$22,902.88	0.2%	5
Brady ISD	\$6,295,042.41	46.1%	1383
Lohn ISD	\$692,009.01	5.1%	152
Rochelle ISD	\$902,505.67	6.6%	198
Mason ISD	\$341,224.39	2.5%	75
<b>Total</b>	<b>\$13,669,718.69</b>		<b>3000</b>

The McCulloch County Appraisal District Board of Directors is comprised of 5 board members. These members serve 2-year terms. This year we have 3 board members whose term will expire.

Your taxing unit may nominate up to 3 members to the Board of Directors this year.

**THE FOLLOWING MEMBERS TERMS ARE OVER 12/31/2019:**

Reed Williams – Willing to serve again

Cynthia Quinn – Willing to serve again

Matt McBee – Willing to serve again

**CURRENT BOARD OF DIRECTORS THRU 12/31/2020:**

Brentt Raybion

Michael Probst

Please note: If you wish to keep the same board members, those members will also need to be nominated. Only names nominated will appear on the ballot.

After all nominations are received, we will assemble a ballot before October 30<sup>th</sup> and your taxing unit will have the opportunity to cast your votes for a single individual or you may disburse your votes in any way you wish. The voting is done by resolution of your board in regular session. The resolutions are to be returned to the appraisal district before December 20. The results will be announced immediately following that deadline.

Please send your nominations before October 25, 2019. If you have any questions about the procedures for the elections of the Board, please contact me at (325)597-1627.

Sincerely,



Zane P. Brandenberger

# City Council

## City of Brady, Texas

### Agenda Action Form

<b>AGENDA DATE:</b>	10-1-2019	<b>AGENDA ITEM</b>	7.B.
<b>AGENDA SUBJECT:</b>	Discussion, consideration and possible action to engage Haynie & Company to audit the City's financial statements for fiscal year 2019 and issue a formal report of financial statements and findings.		
<b>PREPARED BY:</b>	Lisa Remini / Dennis Jobe	<b>Date Submitted:</b>	9-26-2019
<b>EXHIBITS:</b>	Engagement Letter from Haynie & Company		
<b>BUDGETARY IMPACT:</b>	<b>Required Expenditure:</b>	\$55,650.00	
	<b>Amount Budgeted:</b>	\$57,300.00	
	<b>Appropriation Required:</b>	\$00.00	
<b>CITY MANAGER APPROVAL:</b>			
<b>SUMMARY:</b>			
This will be the ninth year that the firm will conduct the city's audit. The gross fee including expenses will not exceed \$55,650 which is within the fiscal year 2020 budget of \$57,300.			
The firm has conducted previous audits with professionalism and has provided accounting assistance throughout the year as needed. The average (last 4 years) audit cost has been \$54,500.			
A commitment to issue the audit reports no later than February 28, 2020 is also stated in the agreement.			
Staff recommends that the city continue with the firm for auditing services.			

<b>RECOMMENDED ACTION:</b>
Approve the accounting firm Haynie & Company to perform the audit for the Fiscal Year 2019, and authorize the mayor to sign the engagement letter.



 2702 N. Loop 1604 E.  
San Antonio, TX 78232

September 23, 2019

 210-979-0055

 210-979-0058

 [www.HaynieCPAs.com](http://www.HaynieCPAs.com)

To the Honorable Mayor and City Council  
City of Brady, Texas  
P.O. Box 351  
Brady, Texas 76825

We are pleased to confirm our understanding of the services we are to provide the City of Brady, Texas (the City) for the year ended September 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City as of and for the year ended September 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules
- 3) Schedule of Change in Net Pension Liability and Related Ratios – Last 10 Years

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements OR in a report combined with our auditor's report on the financial statements:

- 1) Statements of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Proprietary Funds
- 2) Statements of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Economic Development Corporation
- 3) Single Audit Compliance Information

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

### **Audit Procedures—General**

An 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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 confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance 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 major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these 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.

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include 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 latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review immediately.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Haynie & Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a government agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Haynie & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately October 2019 and to issue our reports no later than February 28, 2020. John D. Boekweg is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$55,650. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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

Very truly yours,

A handwritten signature in black ink that reads "Haynie & Co". The signature is fluid and cursive, with "Haynie" on the first line and "& Co" on the second line.

Haynie & Company

Certified Public Accountants

**RESPONSE:**

This letter correctly sets forth the understanding of the City of Brady, Texas.

Management signature: \_\_\_\_\_

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

# KEEP BRADY BEAUTIFUL

## Newsletter

### In this issue:

- FREE T-SHIRTS: IN MEMORY OF ELMER ROY "DINK" NICHOLS (MUST REGISTER)
- PRIZE DRAWINGS DURING LUNCH
- FREE LUNCH AND GAMES! AFTER CLEANUP AT THE BRADY LAKE PAVILION.

## FIRE SWEEP

### CITY WIDE CLEANUP

The recognition cleanup event, Honoring Our Firefighters, is weeks away. Plenty of time to look for an area that needs cleaning.

Register early to avoid the crowd during the event.

Don't forget we supply you with trash bags, gloves, safety vest and a grabber!

**SATURDAY, OCTOBER 26TH, CLEANUP 9:00 A.M. - 11:00 A.M.**

**HONORING OUR FIREFIGHTERS LUNCH 11:00 A.M. - 12:30 P.M.**

**VOLUNTEERS COME JOIN US!**

### MEET IN FRONT OF THE BRADY LAKE STORE AT 9:00 A. M.!!

It can take place in any public area needing attention within our community. Select your neighborhood or be assigned a space.

Register today through October 4th, to be guaranteed your free T-shirt, in memory of Elmer Roy "Dink" Nichols!

*A volunteer acknowledgement, waiver and release form must be completed by each participant/legal guardian and returned to the KBB coordinator, Silvia Diaz, prior to event.*



*Contact Information: City of Brady Keep Brady Beautiful Coordinator Silvia Diaz (325) 597-2244 ext. 201 or via email [sdiaz@bradytx.us](mailto:sdiaz@bradytx.us). Website: [www.bradytx.us](http://www.bradytx.us); <https://www.facebook.com/KeepBradyBeautiful/>*



# October

# 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1 <b>CITY COUNCIL</b> 6:00 P.M. Siren Test 12:00 Noon	2	3	4	5
6	7 LEPC 9:30 a.m.	8	9 TML Conference San Antonio	10 TML Conference San Antonio	11 TML Conference San Antonio	12
13	14 COLUMBUS DAY City Offices Closed	15 <b>CITY COUNCIL</b> 4:00 & 6:00	16	17	18	19
20	21	22	23	24	25	26 FIRE SWEEP FALL CLEANUP honoring DINK NICHOLS
27	28	29	30	31 Halloween	1	2
3	4	5	6	7	8	9

Notes:



# November

2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
3	4 LEPC 9:30 a.m.	5 <b>CITY COUNCIL</b> 6:00 P.M. Siren Test 12:00 Noon	6	7	8	9
10	11 VETERAN'S DAY City Offices Closed	12	13	14	15	16
17	18	19 <b>CITY COUNCIL</b> 4:00 & 6:00	20	21	22	23 HAPPY BIRTHDAY JEFFREY !!
24	25	26	27	28 THANKS- GIVING City Offices Closed	29 THANKS- GIVING City Offices Closed	30
1	2	3	4	5	6	7

Notes:

*Happy  
Thanksgiving*



# December

2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 LEPC 9:30 a.m.	3 <b>CITY COUNCIL</b> 6:00 P.M. Siren Test 12:00 Noon	4	5	6	7
8	9	10	11	12	13	14
15	16	17 <b>CITY COUNCIL</b> 4:00 & 6:00	18	19	20	21
22	23	24 CHRISTMAS City Offices Closed	25 CHRISTMAS DAY City Offices Closed	26	27	28
29	30	31	1 NEW YEARS DAY City Offices Closed	2	3	4
5	6	7	8	9	10	11

Notes:

