

May 12, 2026

Belton Independent School District
400 N. Wall Street
Belton, Texas 76513

This letter sets forth our understanding for applying agreed-upon procedures to procedures enumerated in the State of Texas Legislative Budget Board House Bill 3 Efficiency Audit Guidelines, required under Texas Education Code section 11.184, for Belton Independent School District (the "District").

Because the procedures do not constitute an examination or review, we will not express an opinion or provide any assurance on the subject matter. The sufficiency of the procedures is solely the responsibility of the District. Consequently, we make no representation regarding the adequacy of the procedures for any other purpose.

Prior to the completion of the engagement, you agree to provide us with written agreement and acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement as noted above.

Our Responsibilities

The objective of our engagement is to:

- a. Perform certain agreed upon procedures (see Appendix A) with respect to the District's operations, staffing, finances, and resource utilization, as of and for the fiscal year ended August 31, 2025.
- b. Issue a written report that describes the procedures applied and our findings without providing an opinion or conclusion on the subject matter.
- c. Communicate further as required by professional standards applicable to an agreed-upon procedures engagement.

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements established by the AICPA Statements on Attestation Engagements (SSAEs) and the Legislative Budget Board House Bill 3 Efficiency Audit Guidelines.

We are responsible for carrying out the procedures and reporting findings in accordance with these standards. We are not engaged to, and will not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter. Accordingly, we will not express an opinion or conclusion. We have no responsibility to determine the differences between the procedures to be performed and the procedures that we would have determined to be necessary had we been engaged to perform another form of attestation engagement. The procedures that we perform pursuant to the agreed-upon procedures engagement may be more or less extensive than the procedures that we would determine to be necessary had we been engaged to perform another form of engagement.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Your Responsibilities

The engagement to be performed will be conducted on the basis that you acknowledge and understand that our role is to perform an agreed-upon procedures engagement in accordance with attestation standards established by the AICPA and that you acknowledge and understand that you have responsibility

- a. for the subject matter;
- b. to agree to and acknowledge that the procedures described in Appendix A to this letter are appropriate for their purpose (the "intended purpose of the engagement"); and
- c. to provide us, prior to the completion of the engagement, with a letter that confirms certain representations made to us during the course of the engagement. If any modifications, including any additions or subtractions, are made to the procedures described in the attachment to this letter, you will agree to the procedures performed and acknowledge that such procedures are appropriate for the intended purpose of the engagement.

Our Report

Upon completion of our engagement, we will issue a written report. Our report will list the procedures performed and our findings. Our report will be addressed to management of the District.

Our report will state the intended purpose of the engagement and will include a statement that you agreed to and acknowledged that the procedures are appropriate to meet the intended purpose of the engagement. The report will state that it may not be suitable for any other purpose.

Our report will include a statement that the procedures performed may not address all items of interest to the users of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

As part of our engagement, we will request from management written confirmation concerning representations made to us in connection with the agreed upon procedures. You agree to provide such confirmation.

Other Matters

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

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to receiving assistance reconciling supporting documentation to transaction listings. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

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

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

Engagement procedures	June-July 2026
Issue reports	August 2026

Kent Willis is the engagement partner for the services specified in this letter. His responsibilities include supervising Pattillo, Brown & Hill, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the agreed-upon procedures report.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as reports reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$12,430. 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 30 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 will maintain the confidentiality of your personal information and will apply procedures to protect against any unauthorized release of your personal information to third parties.

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

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities. If you have any questions, please let us know.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,

Pattillo, Brown & Hill, L.L.P.

Kent Willis, CPA
Waco, Texas

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Belton Independent School District by:

Name: _____

Title: _____

Date: _____

Appendix A

Agreed-Upon Procedures

The District will provide us with all necessary items requested to complete the procedures included below.

#	Procedure
1	Selected five (5) to ten (10) peer districts, developed a simple average and used the same comparison group throughout the audit.
2	Reported on the overall accountability rating (A-to-F and a corresponding scale score of 1 to 100).
3	Compared the District's peer districts' average score and listed the following District's campus information:
	a. Accountability rating count for each campus level within the district.
	b. Names of the campuses that received an F accountability rating
	c. Campuses that are required to implement a campus turnaround plan
4	Reported on the District's School FIRST rating. For a rating of less than A, listed the indicators not met.
5	Reported on student characteristics for the District, its peer districts and the State average including:
	a. Total Students
	b. Economically Disadvantaged
	c. English Learners
	d. Special Education
	e. Bilingual/ESL Education
	f. Career and Technical Education
6	Reported on the attendance rate for the District, its peer districts and the State.
7	Reported on the five-year enrollment for the District for the most recent school year and four (4) years prior, the average annual percentage change based on the previous five years and the projected next school year.
8	Reported on the following indicators related to the District's revenue, its peer districts' average and the State average and explained any significant variances.
	a. Local M&O Tax (Retained) (without debt service and recapture)
	b. State
	c. Federal
	d. Other local and intermediate
	e. Total revenue
9	Reported on the following indicators related to the District's expenditures, its peer districts' average, and the State average and explained significant variances from the peer districts' average in any. In addition, explained the reasons for the District's expenditures exceeding revenue if applicable.
	a. Instruction
	b. Instructional resources and media
	c. Curriculum and staff development
	d. Instructional leadership
	e. School leadership

	f. Guidance counseling services
	g. Social work services
	h. Health services
	i. Transportation
	j. Food service operation
	k. Extracurricular
	l. General administration
	m. Plant maintenance and operations
	n. Security and monitoring services
	o. Data processing services
	p. Community services
	q. Total operating expenditures
10	Reported on the following indicators for payroll and select salary District expenditures compared to its peer districts' average and the State average and explained any significant variances from the peer districts' average in any category.
	a. Payroll as a percentage of all funds
	b. Average teacher salary
	c. Average administrative salary
	d. Superintendent salary
11	Reported on the General Fund operating fund balance, excluding debt service and capital outlay, for the past five years and per student for the District and its peer districts. Analyzed unassigned balance per student and as a percentage of three-month operating expenditures and explained any significant variances.
12	Reported the District's allocation of staff, and student-to-teacher and student-to-total staff ratios for the District, its peer districts and the State average. The following staff categories were used:
	a. Teaching
	b. Support
	c. Administrative
	d. Paraprofessional
	e. Auxiliary
	f. Students per total staff
	g. Students per teaching staff
13	Reported on the District's teacher turnover rate as well as its peer districts and the State's average.
14	Reported on the following programs offered by the District, including the number of students served, percentage of enrolled students served, program budget, program budget as a percentage of the District's budget, total staff for the program, and student-to-staff ratio for the program.
	a. Special Education
	b. Bilingual Education
	c. Migrant Programs
	d. Gifted and Talented Programs

	e. Career and Technical Education
	f. Athletics and Extracurricular Activities
	g. Alternative Education Program/Disciplinary Alternative Education Program
	h. Juvenile Justice Alternative Education Program
15	Described how the District maximizes available resources from state sources and regional education service centers to develop or implement programs or deliver services.
16	Report on the District's annual external audit report's independent auditor's opinion as required by Government Auditing Standards.
17	Explained the basis of TEA assigning the District a financial-related monitoring/oversight role during the past three years if applicable.
18	In regards to the District's budget process, provided a response to each of the following questions:
	a. Does the district's budget planning process include projections for enrollment and staffing?
	b. Does the district's budget process include monthly and quarterly reviews to determine the status of annual spending?
	c. Does the district use cost allocation procedures to determine campus budgets and cost centers?
	d. Does the district analyze educational costs and student needs to determine campus budgets?
19	Provided a description of the District's self-funded program, if any, and analyzed whether program revenues are sufficient to cover program costs.
20	Reported whether the District administrators are evaluated annually and, if so, explained how the results inform District operations.
21	In regards to the District's compensation system, provided a response to the following questions:
	a. Does the District use salary bonuses or merit pay systems? If yes, explain the performance-based systems and the factors used.
	b. Do the District's salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee's education, experience, and other relevant factors?
	c. Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?
	d. Has the District made any internal equity and/or market adjustments to salaries within the past two years?
22	In regards to planning, provided a response for each of the following questions:
	a. Does the District develop a District Improvement Plan (DIP) annually?
	b. Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?
	c. Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:
	• Does the District use enrollment projections?
	• Does the District analyze facility capacity?
	• Does the District evaluate facility condition?
	• Does the District have an active and current energy management plan?
	• Does the District maintain a clearly

23	In regards to District academic information, we will provide a response for each of the following questions:
	a. Does the District have a teacher mentoring program?
	b. Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?
	c. When adopting new programs, does the District define expected results?
	d. Does the District analyze student test results at the district and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?
24	Provided a response to the question if the District modifies programs, plans staff development opportunities, or evaluates staff based on analyses of student test results.

Report on the Firm's System of Quality Control

December 12, 2025

To the Partners of Pattillo, Brown & Hill, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Pattillo, Brown & Hill, LLP (the firm) in effect for the year ended May 31, 2025. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act; an audit of an employee benefit plan; and an audit performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Pattillo, Brown & Hill, LLP in effect for the year ended May 31, 2025, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Pattillo, Brown & Hill, LLP has received a peer review rating of *pass*.

Ericksen Krentel, LLP

Certified Public Accountants