



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: June 16, 2025

Agenda Section: Consent

Agenda Item Title: Fiscal Year 2024-2025 Audit Engagement Letter

From/Presenters: Tony Kingman, Chief Financial Officer

Description: Annually, Weaver and Tidwell, L.L.P conducts the fiscal audit for the District. Prior to engaging the work, the audit firm is required to obtain its client's signature for the engagement letter.

Historical Data: The District engaged with Weaver and Tidwell, L.L.P to be its auditor beginning in fiscal year 2020-2021. On April 17, 2024 the District selected Weaver and Tidwell, L.L.P. to continue to conduct the annual audit for the District for three more years. The engagement letter is a routine letter that the District will have to sign

Recommendation: Approve the engagement of Weaver and Tidwell, L.L.P to conduct the 2024-2025 fiscal year audit.

Purchasing Director and Approval Date: N/A

Funding Budget Code and Amount: 199 E 6212 00 726 0 99 0 00 \$73,400

Goal: 3. SSAISD will implement program initiatives and activities that reflect a commitment to preparing 100% of students for post-secondary educational or career paths.

June 2, 2025

To the Board of Trustees and Management of
South San Antonio Independent School District
5622 Ray Ellison Boulevard
San Antonio, Texas 78242

Dear Board of Trustees and Management:

Weaver and Tidwell, L.L.P. ("our", "us", and "we") will perform an audit of the basic financial statements of South San Antonio Independent School District (the "District"), which comprise the financial statements of governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ending August 31, 2025, and the related notes to the financial statements.

In addition, we will audit the entity's compliance over major federal award programs for the period ended August 31, 2025.

The following accompanying supplementary information will also be subjected to our auditing procedures, as well as certain additional procedures:

1. Schedule of Expenditures of Federal Awards
2. Combining Individual Fund Financial Statements
3. Compliance Schedules Required by the Texas Education Agency

This required supplementary information ("RSI") will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
3. Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan – Teacher Retirement System of Texas
4. Schedule of District's Contributions – Teacher Retirement System of Texas Pension Plan
5. Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefits (OPEB) Liability of a Cost-Sharing Multiple-Employer OPEB Plan – Teacher Retirement System of Texas
6. Schedule of District's Contributions – Teacher Retirement System of Texas OPEB Plan

The following accompanying supplementary information will not be subjected to the auditing procedures and our auditor's report will not provide an opinion or assurance on that information:

1. Schedule of Required Responses to Selected School FIRST Indicators

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

Applicable Standards and Framework

The auditing standards applicable to this engagement will be U.S. GAAS (generally accepted auditing standards in the United States of America) and the Government Auditing Standards ("GAGAS"), any state or regulatory audit requirements, 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 financial reporting framework applicable to this engagement is U.S. GAAP (generally accepted accounting principles in the United States of America).

Engagement Objective

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with applicable auditing standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the financial statements.

Our Responsibilities

We will conduct our engagement in accordance with the applicable standards described above. As part of an engagement conducted in accordance with the applicable standards, we exercise professional judgment and maintain professional skepticism throughout the engagement.

We also do the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the system of internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit that we have identified during the engagement.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of assets, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may exist and not be detected, even though the audit is properly planned and performed in accordance with applicable 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes 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.

The accompanying supplementary information referred to above will be presented for purposes of additional analysis and is not a required part of the financial statements. Such information will be subjected to the auditing procedures applied in the 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 applicable standards. Our auditor's report will provide an opinion on the supplementary information in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

Our responsibilities for this engagement are limited to the period covered by our engagement and do not extend to any other periods. Our engagement also does not include consultation with you on the adoption of new accounting standards or any future increased duties we may have because of the actions of any regulatory body, implementation of any new auditing standard, or occurrence of an unknown or unplanned significant transaction.

Rebecca Darling, CPA, is the engagement partner or equivalent for the attest services specified in this letter and is responsible for supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign our report.

We expect to begin our procedures in July 2025. We will issue a written report only upon completion of our engagement. Our report will be addressed to the entity's Board of Trustees and Management.

We cannot provide assurance that an unmodified audit opinion will be expressed. Circumstances may arise in which it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraphs, delay the initiation or completion of our engagement, or withdraw from the engagement. If our opinion on the financial statements is 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 an opinion, we may decline to express an opinion or withdraw from the engagement.

GAGAS

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will consider the entity's internal control over financial reporting and perform tests of the entity's compliance with the provisions of applicable laws, regulations, contracts, and grant agreements that could have a direct and material effect on the determination of financial statement amounts.

In accordance with the requirements of GAGAS, we will also issue a written report describing the scope of our testing over internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and grant agreements, including the results of that testing. However, providing an opinion on internal control over financial reporting and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not

expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Uniform Guidance

Our audit of the entity's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the provisions of the Uniform Guidance (including the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs).

Our procedures will include tests of accounting records and a determination of major federal award programs in accordance with the Uniform Guidance. We will also perform other procedures we consider necessary to enable us to obtain reasonable assurance about whether the entity complied with applicable laws, regulations, and provisions of contracts and grant agreements applicable to major federal award programs, so that we may express an opinion or disclaimer of opinion on major federal award program compliance and render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our report will include any significant deficiencies and material weaknesses identified. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

Required Supplementary Information (RSI)

U.S. GAAP, as promulgated by the Governmental Accounting Standards Board ("GASB"), requires that management's discussion and analysis and budgetary comparison information, among other items, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, which 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 RSI in accordance with U.S. GAAS. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

Non-Attest Services

We will perform this additional non-attest (non-audit services) as part of this engagement.

- Preparation of financial statements and related notes
- Preparation of schedule of expenditures of federal awards (as applicable)
- Assisting with entries to convert accounting records from modified accrual to full accrual (GASB 34 entries)
- Prepare the Data Collection Form
- Prepare reports required by TEA Data Feed Standards

GAGAS require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the financial statements and related schedules or disclosures as these actions are deemed a non-attest service. The entity has designated Tony Kingman, Chief Financial Officer, to oversee these services.

These non-attest services do not constitute an audit under GAGAS and such services will not be conducted in accordance with GAGAS.

Data Collection Form on Reporting for Single Audits

It is expected that prior to the conclusion of the engagement, sections of the Data Collection Form will be completed by our firm. The sections that we will complete summarize our audit findings by federal grant or contract. Management is responsible to submit the reporting package (defined as 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. The instructions to the Data Collection Form require that the reporting package be an unlocked, unencrypted, text searchable portable document file (PDF) or else it will be rejected by the Federal Audit Clearinghouse. We will be available to assist management in creating the PDF if needed.

We will coordinate with you the electronic submission and certification upon the reporting package completion. If applicable, we will provide copies of our report for you to include with the reporting package if there is a need to submit the package to pass-through entities.

The Data Collection Form and the reporting package must be submitted within the earlier of thirty (30) days after receipt of our reports or nine (9) months after the end of the audit period.

Third-Party Service Providers

Depending on the requirements of this engagement, we may use the services of our affiliate, Weaver and Tidwell India LLP, a limited liability partnership incorporated in India, or one or more other third-party service providers to assist us. Before sharing confidential information with those service providers, we will (i) secure agreements to maintain the confidentiality of such information and ensure the information is only used for the purpose of assisting us with the performance of this engagement and (ii) take commercially reasonable precautions to determine the service providers have appropriate procedures in place to prevent the unauthorized disclosure of the information. If we use such service providers, we will remain responsible for all work performed and any breach of our confidentiality arrangements by those service providers.

Management's Responsibilities

Our engagement will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility for:

- a. the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework described above;
- b. the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- c. the design, implementation, and maintenance of programs and controls to prevent and detect fraud;
- d. informing us of any known or suspected fraud involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on the financial statements (including any allegations of fraud or suspected fraud received in communications from employees, former employees, regulators, or others);
- e. providing us with:
 - i. access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including the disclosures, such as records, documentation, and other matters;
 - ii. additional information that we may request from management for the purpose of the engagement; and
 - iii. unrestricted access to persons from whom we determine it necessary to obtain evidence;

- f. including our report, and our report on any supplementary information if described above, in any document containing financial statements that indicates that such financial statements have been audited by us;
- g. identifying and ensuring compliance with the laws and regulations applicable to activities;
- h. adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
- i. maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- j. the accuracy and completeness of all information provided;
- k. with regard to the supplementary information referred to above: (a) the preparation of the supplementary information in accordance with the applicable criteria; (b) providing us with the appropriate written representations regarding supplementary information; (c) including our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) presenting the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon;
- l. the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to violations of laws, governmental regulations, grant agreements, or contractual agreements;
- m. identifying all federal awards expended during the period;
- n. providing us with access to all information of which management is aware that is relevant to federal award programs;
- o. preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- p. the design, implementation, and maintenance of internal control over compliance;
- q. identifying and ensuring that entity complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs;
- r. following up and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- s. following up and taking corrective action on current period audit findings and preparing a corrective action plan for such findings;
- t. submitting the reporting package and data collection form to the appropriate parties;
- u. making us aware of any significant vendor relationships where the vendor is responsible for program compliance;
- v. informing us of facts that may affect the financial statements of which you may become aware during the period from the date of our report to the date the financial statements are issued; and
- w. confirming your understanding of your responsibilities in this letter to us in your management representation letter.

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we request.

If we agree herein or otherwise to perform any non-attest services (such as tax services or any other non-attest services), you agree to assume all management responsibilities for those services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. We will perform any such non-attest services in accordance with applicable professional standards.

During the course of our engagement, we will request information and explanations from management regarding operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will also require, as a precondition to the issuance of our report, that management provide certain representations in a written letter concerning representations made to us in connection with our engagement. You agree that as a condition of our engagement, management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the engagement and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the engagement; or, worse, could cause a material error or a fraud to go undetected by our procedures.

The hiring of, or potential employment discussions with, any of our personnel could impair our independence. Accordingly, you agree to inform the engagement partner prior to any such potential employment discussions taking place.

Fees and Invoicing

We estimate the fee for this engagement will be \$73,400.

The total fee for our services will be determined by the complexity of the work performed and the tasks required. Individual hourly rates vary according to the degree of responsibility involved and the skills required and are subject to periodic review and change. It is understood that neither our fees nor the payment thereof will be contingent upon the results of this engagement.

Our fee estimate is based on anticipated cooperation from all involved and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss the reasons with you and arrive at a new fee estimate before we incur the additional costs.

Our invoices for this engagement will be rendered each month as work progresses. Our invoices are payable in accordance with Texas Government Code § 2251.021, if applicable.

Documentation and Deliverable

The documentation we prepare pertaining to and in support of this engagement is our property and constitutes confidential information.

If you intend to make reference to our firm or include a report or portion of a report we issue in a published document or other reproduction that includes a modified version of the report or financial information to which it was attached, you agree to provide us with printers' proofs or masters for our review and approval before reproducing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our approval. This requirement does not pertain to distributing unmodified reports along with the attached financial information or dissemination of your financial information as a standalone document, such as on your website.

Unless we provide you with written consent in advance of such use, reports we issue are not intended to and should not be provided or otherwise made available for use in connection with the sale of debt or other securities. If, in our professional judgment, the circumstances require, we may withhold our consent.

June 2, 2025

Consistent with professional standards, our firm is subject to peer review and inspection by the PCAOB. Those programs require that our system of quality management and a sample of our work be periodically examined by another independent accounting firm or the PCAOB, respectively. A copy of our latest external peer review report is available at peerreview.aicpa.org. The work we perform for you may be selected for review. If it is, we will provide the reviewers with the required information without notice to you. Professional standards and PCAOB regulations provide the applicable confidentiality requirements.

Incorporated General Terms

Attached are our General Terms that provide additional terms (including but not limited to provisions on confidentiality, limitations on liability, indemnifications, dispute resolution, jury waiver, etc.) for this engagement. Those terms are incorporated and apply to all services described herein.

We appreciate the opportunity to assist you and look forward to working with you and your team.

Sincerely,

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas

Please sign and return a copy of this letter to indicate acknowledgment of, and agreement with, the arrangements for our engagement as described herein, including each party's respective responsibilities. By signing below, the signatory also represents that they have been authorized to execute this agreement.

South San Antonio Independent School District

Management

By: _____

Printed Name: Dr. Saul Hinojosa

Title: Superintendent

Date: June 16, 2025

Governance

By: _____

Printed Name: Raymond Tijerina

Title: Board President

Date: June 16, 2025

GENERAL TERMS

1. Expenses.

In addition to the fee for our services, reasonable and necessary out-of-pocket expenses we incur (such as parking, reproduction and printing, postage and delivery, and out-of-market travel, meals, and accommodations) will be invoiced at cost. The total amount stated on each invoice will include a separate administrative and technology charge. The charge represents an estimated allocation of our support personnel, telecommunication, and technology infrastructure expenses. The amount stated on each invoice will also include any sales, use, gross receipts, excise, or other transaction tax imposed on our fees or expenses.

2. Payment.

Any disagreement with the charges must be communicated to us in writing within thirty (30) days of the invoice date, after which any right to contest the invoices will be waived. For invoices not paid within sixty (60) days of the invoice date, a late charge will be added to any uncontested outstanding balance. The late charge will be assessed at a rate of half a percent (0.5%) of the unpaid balance per month. If invoices are not paid within ninety (90) days of the invoice date, this engagement (and any other engagements for the same party) will be placed on hold and we will stop work until the balance is brought current, or we may withdraw, and we will not be liable for any damages that may result.

3. Term.

A. This engagement ends at the earlier of the completion of our services described above, the provision of any deliverables described above, or the termination of this engagement. Any party may earlier terminate this engagement at any time with ten (10) days' written notice to the other party. If the engagement is terminated, our engagement will be deemed to have been completed upon written notification of termination, and we will be paid for our time expended and expenses incurred through the date of termination.

B. If we are requested to perform additional services not addressed in this engagement letter, we will communicate our ability to perform the services, the scope of additional services we agree to perform, and the fee arrangements we would use. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting the arrangement for performance of such additional services, those services will continue to be governed by the terms of this engagement letter.

4. Ethical Conflict Resolution.

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will provide notice of such conflict as soon as practicable and discuss any possible means of resolving the conflict prior to suspending our services.

5. Non-Solicitation of Our Staff.

We value every one of our partners, employees, and contractors and have spent a great deal of time and resources to locate, train, and retain those individuals. Accordingly, during the term of this engagement letter and for two (2) years after the later of the termination of this engagement letter or conclusion of the performance of all of our services performed hereunder, no party, whether voluntarily or involuntarily, directly or indirectly, will solicit to employ or engage, on a partner, employee, contractor, or other basis, any of our partners, employees, or contractors who perform these services, without obtaining the prior written consent of our CEO or COO. This section shall not apply to a solicitation by general advertisement (e.g. website, social media posting, newspaper, etc.) or any employment or engagement resulting therefrom.

6. Confidentiality.

A. During the course of this engagement, the parties may disclose to each other, orally, in writing, or otherwise, information that is identified as or which is otherwise categorized by law as proprietary, confidential, or privileged ("Confidential Information"). Confidential Information does not include material which (i) is in the public domain through no fault of the receiving party, (ii) was already known to the receiving party before it was first disclosed to the receiving party by or on behalf of the disclosing party related to this engagement, (iii) is received by the receiving party from third-parties without confidentiality restrictions, unless those third-parties were acting for or on behalf of the disclosing party related to this engagement, or (iv) is developed by the receiving party independently of, and without reference to, any Confidential Information communicated to the receiving party by or on behalf of the disclosing party. We will use the Confidential Information disclosed to us during this engagement solely to perform services for which we have been engaged.

B. We may be requested to make the Confidential Information available to regulators and other government agencies, pursuant to authority given by law or regulation. Responding to many such requests is mandatory. In those

cases, access to such Confidential Information will be provided under our supervision and we may, upon their request, provide the regulator or agency with copies of all or selected portions of the Confidential Information. The requesting party may intend or decide to distribute the copies or information contained therein to others, including other regulators or agencies.

C. Unless otherwise stated herein, prohibited by law or direction of law enforcement, or agreed in writing, the parties will (i) provide prompt notice of any request received to make Confidential Information pertaining to this engagement, including any of our work product, available to outside parties not involved in the performance of these services and (ii) obtain written consent from the affected party before disclosing the Confidential Information in response to the request. If consent is withheld, the parties will cooperate with any lawful efforts taken to minimize the disclosure or protect the Confidential Information.

D. We will invoice for reasonable and necessary time (at our then-current standard hourly rates) and out-of-pocket expenses (including attorney's fees) we incur to respond to any request (such as a subpoena, summons, court order, or administrative investigative demand) pertaining to this engagement in a legal matter to which we are not a party. If we agree to perform additional substantive services related to or arising out of the request, such matters may be the subject of a new engagement letter.

E. The parties agree to maintain Confidential Information using the same standard of care each uses to protect its own information of like importance but in no case less than a reasonable standard of care.

F. All rights to Confidential Information (including patent, trademarks, copyrights, or other intellectual property rights) shall remain vested in the disclosing party, and no rights in the Confidential Information are vested in the receiving party, except the limited right to use the Confidential Information solely to perform its obligations or exercise its rights under this engagement letter.

G. We will return or destroy the Confidential Information upon the disclosing party's request within a reasonable period of time, except that we will maintain any copies of the Confidential Information for the period necessary to comply with any applicable laws or professional standards and our own document retention policy (e.g. we will maintain our workpapers for seven (7) years from the date of any attest report we issue). Following such a period, we may destroy the Confidential Information without notice.

H. We may at times provide (i) documents marked as drafts or (ii) preliminary or ancillary information or advice (not included in a final deliverable). Those documents, information, and/or advice are for review and consideration purposes only and should not be relied upon or distributed,

and should be destroyed, unless otherwise required by law. If further analysis, information, or advice is desired, we will be informed in writing. We may assist if the matter is within our expertise. Unless already encompassed by the scope of our engagement letter, if we agree to provide such further assistance, our services will be handled as additional services in the manner described above.

I. We may transmit and store data via email, the cloud, or other electronic and Internet-based mechanisms to facilitate this engagement. Please be aware that those mediums inherently pose a risk of misdirection or interception of Confidential Information. Any request to limit such transmissions or use a different means of transmission or storage must be made in writing and we will not be responsible for any resulting compromise in data security.

J. We do not act as the host or repository of financial or non-financial information or as an information back-up service provider for our clients. It is the responsibility of our clients to maintain a complete set of their own financial and non-financial data and records. If some portion of the data and records is contained only within our files, inform us before the issuance of our deliverable and we will provide a copy.

K. Unless otherwise stated herein or agreed in writing, neither this engagement nor engagement letter is intended for the benefit of any third party. Any party may inform us of any third party who will receive our deliverable. If we are not informed in writing by a party, we are not aware of the identity of such third parties and we do not anticipate their reliance upon our professional services or deliverable unless otherwise agreed in writing.

7. Limitations on Liability and Indemnifications.

A. Each party to this engagement letter other than us gives the following releases and indemnifications to us and our affiliates' partners, employees, and contractors, and each of their heirs, executors, personal representatives, successors and assigns ("Our Representatives"). We and Our Representatives are hereby released, indemnified, and held harmless, from and against any liability and costs, including related liabilities, losses, damages, costs, expenses, and attorneys' fees, resulting from or arising out of: (i) knowing misrepresentations or unintentional or unauthorized disclosures to us or Our Representatives by any party (other than us) or the officers, employees, or others acting or purporting to act on their behalf, (ii) disclosure of our work product to anyone not a party this engagement letter who we were not informed of in advance, or (iii) misdirection, interception, or failed delivery of information connected with this engagement during transmission, submission, or storage.

B. Our and Our Representatives' total aggregate liability pertaining to this engagement and engagement letter shall be limited to one (1) times the amount of our fees (excluding any reimbursable expenses) the party bringing the claim paid to us for the services in question. In no event shall we or Our Representatives be liable for indirect, incidental, consequential, special, multiple, exemplary, or punitive losses or damages—even if advised of their possible existence.

C. Satisfaction of a claim or cause of action arising from nonattest services (if any) which are part of this engagement or performed pursuant to this engagement letter shall only be sought from the limited liability partnership, Weaver and Tidwell, L.L.P. In no event will our partners, directors, employees, or agents be individually liable for any liability, damages, expenses, or losses of any nature, caused by or resulting from the engagement, engagement letter, or use of our work product. While we are entering into this engagement letter on our own behalf, this paragraph is also intended for the benefit of Our Representatives.

D. All limitations on liability and indemnifications contained herein shall apply to the fullest extent permissible by applicable laws and professional standards (including, without limitation, any applicable rules and interpretations of the AICPA, PCAOB, and SEC), regardless of the cause of action (whether contract, negligence, or otherwise), except as finally determined to have resulted solely from our fraud, gross negligence, or willful misconduct.

8. Dispute Resolution Procedure including Jury Waiver.

A. No claim arising out of or relating to this engagement or engagement letter shall be filed more than two (2) years after the earlier of the termination of this engagement or the date of the delivery of our work product in question, if any. This limitation applies and begins to run even if no damage or loss has been suffered, or the injured or damaged party has not become aware of the existence or possible existence of a dispute.

B. If a dispute arises out of or relates to this engagement or engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to litigation. In such event, the parties will attempt to agree upon a location, mediator, and mediation procedures, but absent such agreement any party may require mediation in Houston, Texas, administered by the AAA under its Commercial Mediation Procedures.

C. This engagement letter and all disputes between the parties shall be governed by, resolved, and construed in accordance with the laws of the State of Texas, without regard to conflict-of-law principles. Any action arising out of or relating to this engagement or engagement letter shall

only be brought in, and each party agrees to submit and consent to the exclusive jurisdiction of the federal or state courts in the State of Texas and convenience of those situated in Harris County, Texas.

D. Each party hereby irrevocably waives any right it may have to trial by jury in any proceeding arising out of or relating to this engagement or this engagement letter.

E. Whenever possible, this engagement letter shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretation, but if any term of this engagement letter is declared illegal, unenforceable, or unconscionable, that term shall be severed or modified, and the remaining terms of the engagement letter shall remain in force. The court should in such case modify any term declared to be illegal, unenforceable, or unconscionable in a manner that will retain the intended term as closely as possible.

F. If because of a change in status or due to any other reason, any of the terms of this engagement or any contract we have now or enter into in the future with any of the other parties, would be prohibited by, or would impair our independence when required under laws, regulations or published interpretations by governmental bodies, professional organizations or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and the contract shall consist of the remaining portions.

9. Miscellaneous.

A. We have non-CPA owners who may provide services pertaining to this engagement.

B. We do not provide legal advice or services. If necessary, refer to appropriate legal counsel for advice or services of that nature.

C. This engagement letter sets forth all agreed upon terms and conditions of our engagement with respect to the matters covered herein and supersedes any that may have come before. This engagement letter may not be amended or modified except by further writing signed by all the parties. Any provisions of this engagement letter which expressly or by implication are intended to survive its termination or expiration will survive and continue to bind the parties. The use of electronic signatures or multiple counterparts to execute this engagement letter shall have the same force and effect as a manually or physically signed original instrument.



Report on Firm's System of Quality Control

September 19, 2022

To the Partners of Weaver & Tidwell, L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver & Tidwell, L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. 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 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].)

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 Weaver & Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, 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*. Weaver & Tidwell, L.L.P. has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP