



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

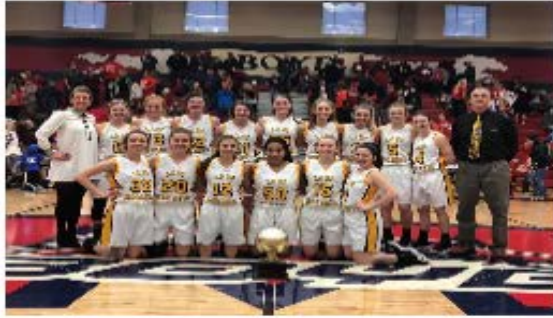
Proposal for Independent Audit Services

Era Independent School District

Contact Person:

Lindsey Kennimer, CPA, Partner
1207 Santa Fe Drive
Weatherford, Texas 76086
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Website: www.sgwcpas.com

PRESENTED TO





SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

January 26, 2022

Era Independent School District
108 Hargrove Street
Era, TX 76238

Dear Board of Trustees:

We are enthusiastic about the possibility to provide Era Independent School District with our professional services. The partners of Snow Garrett Williams are confident that we have the capability of rendering creative and constructive services of the highest quality in an efficient, timely, and economical manner.

We believe the District needs an accounting firm offering a full range of services and a firm that can respond, on short notice, to meet its needs and requirements. Our concept of service emphasizes an integrated approach to the needs of our clients, bringing to bear the experience and expertise of our team in auditing and systems planning, development, and implementation. Our office includes a full staff of individuals qualified and dedicated to this concept. We believe that Snow Garrett Williams has the expertise that your District requires in the areas of governmental accounting and auditing and can provide the District a high quality of service throughout the year.

Again, we are very pleased to have been invited to present our firm to serve as the independent auditors for Era Independent School District. We have prepared a proposal describing our audit approach, proposed audit schedule, a summary of the firm's history, as well as the qualifications of the staff members who will have the responsibility for your engagement, and our service philosophy.



Purpose of the Audit

Our audit will be performed in accordance with applicable auditing rules and financial presentations for governmental entities including generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards required for financial audits by the U.S. General Accounting Office's *Government Auditing Standards, Audits of State and Local Governments*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Texas Education Agency guidelines and State and Federal Laws or regulations.

Our understanding of the purpose of the financial statement audit is to determine whether (1) the financial statements present fairly the financial position, results of operations, and cash flows or changes in financial positions in accordance with generally accepted accounting principles, and (2) whether the District has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. The financial related audit will also include determining whether (1) financial reports and related items are fairly presented, (2) financial information is presented in accordance with established or stated criteria, and (3) the District has adhered to specific financial compliance requirements.

As a part of the audit of the financial statements, we will also obtain an understanding of the District's internal control structure and report any reportable conditions relating to the internal control systems coming to our attention. If the District's federal expenditures exceed \$750,000 requiring a single audit, to comply with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal awards* (Uniform Guidance), a study and evaluation of internal controls will include internal accounting and administrative controls for all major federal financial assistance. Any significant deficiencies or material weakness noted during the study and evaluation of internal accounting and administrative controls will be reported.

We will review and test transactions and records for material compliance with applicable federal and state laws, rules, and regulations and report all instances of noncompliance that are required to be reported under *Government Auditing Standards* and the Uniform Guidance (if required).

Additionally, we will perform certain audit procedures for the purpose of reviewing the accuracy of fiscal information provided by the District through the Public Education Information Management System (PEIMS), as required by Section 44.008(b) of the Texas Education Code.

Audit Approach

We approach each engagement as a collaborative effort and combine our years of experience working on independent school districts with a finely tuned process to provide quality services with personalized attention.

Our approach to your audit will take into account the following strategies, which have been successful at other independent school districts:

- Communication throughout the year to understand your issues and risks;
- Advance planning of the audit to ensure there are no surprises;
- Performance of interim fieldwork, including detailed examination of your internal controls;
- Performance of year-end fieldwork and addressing of key issues identified;
- Customized audit approach.

Our audit approach is implemented in distinct phases: planning, systems evaluation, testing, and reporting.

Planning Phase

Planning is necessary to ensure an effective, timely and cost-efficient audit. In this phase, we will establish the audit framework. Staff members involved in this phase will include the Partner and Manager; additionally, the majority of the work performed during this phase will be completed in the office. Specifically, we will:

- Identify major areas of audit concern and define the major audit objectives in compliance with the risk assessment auditing standards.
- Perform an analytical review.
- Discuss financial statement format.
- Prepare detail audit schedule.
- Discuss and finalize District staff assistance.
- Expand our understanding of the District's operations, including its internal controls.

Systems Evaluation Phase

Having established the audit framework in the planning phase, we will then determine the extent to which we can rely on existing internal accounting controls including work done by the District's accounting system to produce reliable and timely financial data. The Manager, Senior, and Staff Auditors will be involved with completing this phase of our audit approach. Specifically, we will:

- Discuss internal controls with key District personnel.
- Identify the significant accounts, assets and transaction cycles, and document information flows.
- Identify control strengths and weaknesses.
- Develop a tailored audit program for the audit utilizing our audit manuals.

Testing Phase

Once the tailored audit program is prepared, we will perform the following procedures to meet all audit objectives.

- Test internal controls and compliance
- Test financial data

The testing procedures are expected to require approximately 4-5 members of our professional staff which will include the Partner, Manager, Senior, and 1-3 Staff Auditors. If a single audit is required, we will perform testing for the District's major single audit programs during this time.

Testing is broken out into 2 phases, interim and final fieldwork. Preliminary financial data testing along with test of internal controls and single audit testing is performed during interim fieldwork.

Reporting Phase

As a result of our audit:

- We will issue our opinion on the District's financial statements and supplementary information to meet the requirements of the TEA's FASRG
- We will print the District's audit reports in sufficient quantity as requested.
- We will also be available to answer any questions by the Administration or the Board.
- We will be available to meet with the Board or the Administration throughout the year as requested.

We expect it will require approximately 3 members of our professional staff comprised of the Partner, Manager and Senior.

As the District's auditors, we are interested in the District's overall success as an efficient and cost-effective institution. Therefore, the District can expect us to contribute constructive suggestions regarding its operations. Snow Garrett Williams strives to write a positive letter of recommendations, one that identifies possible improvements and describes the benefits to be obtained from implementing those improvements.

During the course of the engagement, we will seek to identify various matters affecting internal controls and accounting procedures that cause duplication, inefficiency or other impediments to streamline operations. We will accumulate our observations and develop recommendations for improvements.

We will periodically review and explain our observations and recommendations with the Board, Administration, and responsible departmental personnel to make sure our observations are accurate and that they understand the recommendations and are able to implement the changes suggested.

Following the completion of this process, we will finalize our comments and issue a management letter to the Board. Our letter is comprehensive - covering all departments with material fiscal transactions. It is also relevant - giving recommendations, which can be employed to help safeguard assets and increase accountability.

If a single audit is required, we will certify Form SF-SAC and the Single Audit Federal Reporting Package with the Federal Audit Clearinghouse after the audit report has been approved by the Board.



Proposed Audit Schedule

To meet all reporting and filing requirements on a timely basis we propose the following audit schedule:

- Entrance conference and detail audit work plan and list of schedules to be prepared by the District (PBC List) – upon award of the contract
- Interim fieldwork – April or May 2022
- Final fieldwork – August 2022
- Prepare preliminary draft of reports and deliver to the District for review – September 2022
- Deliver the District's completed report and Management letter – October or November 2022

We will confirm the exact fieldwork dates with the District's personnel several weeks ahead of time, additionally, the schedule above is based on receiving the necessary information from the District's staff to complete our audit fieldwork. It is our understanding that the District's staff will provide us with various working papers and schedules that will agree to the detailed general ledger.

Firm History and Qualifications

Snow Garrett Williams is a local public accounting firm that began its operation in Weatherford, Texas in 1978. We are committed to achieving the highest quality and most efficient audits possible with our specialized team of auditors. We have over 40 years of experience in performing governmental audits and we currently audit over 50 governmental and/or nonprofit entities.

Our clients represent many facets of the economic spectrum. Through them we have become closely identified with many fields and are recognized to have expertise in these industries. Partial lists of existing governmental clients, which may be of interest to you, are enclosed.

Bluff Dale Independent School District
Boyd Independent School District
Brock Independent School District*
Carroll Independent School District
Decatur Independent School District*
Garner Independent School District
Glen Rose Independent School District*
Granbury Independent School District
Joshua Independent School District
Keene Independent School District
Lipan Independent School District
Mineral Wells Independent School District*
Palo Pinto Independent School District
Santo Independent School District*
Springtown Independent School District
Stephenville Independent School District*
Three Way Independent School District
Tolar Independent School District
Weatherford Independent School District
Weatherford College of the Parker County Junior College District
Benbrook Water Authority
City of Lake Worth, Texas
Hood County Appraisal District
Parker County Appraisal District
Santo Special Utility District
Wise County, Texas

We encourage you to contact any of the above clients about our work, service, and approach.

*See Appendix A for detailed reference information.





Peer Review

Snow Garrett Williams has been a member of the American Institute of Certified Public Accountants (AICPA) since 1978. The AICPA sponsors a peer review program which helps to monitor a CPA firm's accounting and auditing practice and promotes quality in accounting and auditing services provided by CPA firms. The program requires firms to undergo a peer review once every three years. We have received unmodified (pass rating with no deficiencies) reports upon the completion of all past peer reviews by the AICPA. Our last peer review was dated July 29, 2021 for the year ended August 31, 2020. Additionally, Snow Garrett Williams is a member of the AICPA's Governmental Audit Quality Center (GAQC). As part of our Center membership requirements and commitment to quality, Lindsey Kennimer, CPA, is our firm's designated partner in charge of ensuring the quality of our governmental audit services, particularly our services performed under Government Auditing Standards and Uniform Guidance. Please see the attached document at the end of the proposal for a copy of our most recent peer review report.

Confirmation of Good Standing

We confirm to the District that our firm is not under the terms of any public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states.

Confirmation of Independence

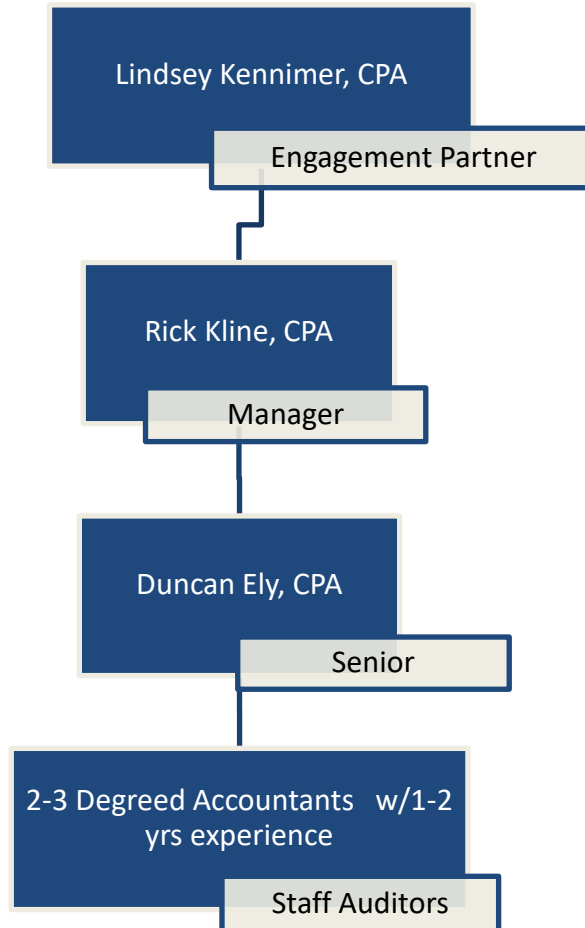
We confirm to the Board that we are independent of the District. We confirm that no member of our firm has a direct or indirect financial interest with any Board member or key administrative personnel that would be construed as a conflict.

Engagement



Team

The chart below depicts the firm personnel we propose to assign to your audit:



In addition to the audit team listed above, we have additional CPAs and degreed accountants to assist in the engagement if needed. We also have several support staff members available to assist the accountants. We confirm to you that our firm is adequately staffed, and time is available to perform your audit in a timely and proficient manner. We will not utilize any outside specialists or consultants.



Engagement Team- Continued

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing maximum efficiency and keeping the learning curve low. We are also flexible in exploring alternative strategies to non-mandatory rotation policies.

In any business, however, turnover is inevitable. When it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have an adequate number of qualified staff members to provide Era Independent School District with top service over the term of the engagement.

Snow Garrett Williams is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. Continuity results in increased efficiency and quality because staff assigned to the engagement will not have to go through a “learning curve” with annual engagements or each new project. Client staff spends less time orienting the engagement team, and more time working toward goals. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.

We have included detailed information on the team members listed above to provide a description of each member’s general responsibilities and levels of experience.

LINDSEY KENNIMER, CPA, ENGAGEMENT PARTNER

As the engagement partner, Ms. Kennimer would be directly involved in the audit of your District. She will be responsible for reviewing all planning, audit programs and workpapers for technical accuracy and adequacy as well as supervising fieldwork conducted. She will also closely review the audit report and management letter for completeness, accuracy, and technical compliance.

Educational Background

BBA in Accounting – University of Texas at Arlington

Career Experience

Snow Garrett Williams - Partner

Professional Organizations

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Fort Worth Chapter of Certified Public Accountants
Texas Association of School Business Officials



Governmental Audit Experience and Training

Ms. Kennimer has 16+ years of public accounting experience with a heavy concentration in governmental auditing, specifically school district audits, and is the engagement partner for the Firm's school district audits. Ms. Kennimer has attended training seminars on governmental entities, including school districts, and was awarded the Advanced Single Audit certification issued by the AICPA. Ms. Kennimer is currently serving on the TXCPA Planning Committee for the Texas School District Accounting and Auditing Conference, TXCPA Professional Standards Committee, GFOA Special Review Committee, TASBO Accounting Research Committee, and the AICPA Government Audit Quality Center (GAQC) Executive Committee. Lindsey has presented various school district accounting and auditing topics at the Education Service Center (Region XI) and the TXCPA Texas School District Accounting and Auditing Conference.



KATHY P. WILLIAMS, CPA, CONCURRING REVIEW PARTNER

As a Partner of the firm, Ms. Williams would assist with any necessary research of accounting or governmental auditing issues and perform a secondary review of any complex audit areas. Ms. Williams will be available in the absence of the engagement partner.

Educational Background

BBA in Accounting - Texas A&M University

Career Experience

Snow Garrett Williams - Partner
Ernst & Young - Dallas - Senior

Professional Organizations

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Fort Worth Chapter of Certified Public Accountants



Governmental Audit Experience and Training

Ms. Williams is responsible for many of the Firm's audits including cities, counties, nonprofit organizations, colleges, appraisal districts, utility authorities, and water companies. Ms. Williams has 30 years of public accounting experience with a heavy concentration in governmental auditing. As part of her professional training, Ms. Williams has attended and completed continuing professional education in accordance with GAGAS.

RICK KLINE, CPA, MANAGER

Mr. Kline will be directly involved in the audit of the District. These responsibilities include the actual review of the District's accounting and internal control procedures; designing of specific audit programs; supervision of fieldwork conducted including performing much of the audit field work and report writing and review of work papers.

Educational Background

BBA in Accounting – University of Texas at Arlington
MS in Accounting – University of Texas at Arlington

Career Experience

Snow Garrett Williams – Manager

Professional Organizations

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Fort Worth Chapter of Certified Public Accountants

Governmental Audit Experience and Training

Mr. Kline has had experience in most of our audit clients including school districts, counties, cities, nonprofit organizations and water companies. He is directly involved in all of our school district audits. Mr. Kline has attended training seminars on governmental entities including school districts.



DUNCAN ELY, CPA, SENIOR

Mr. Ely will be directly involved in the audit of the District. These responsibilities include the actual review of the District's accounting and internal control procedures; designing of specific audit programs; performing much of the audit field work and report writing assistance.

Educational Background

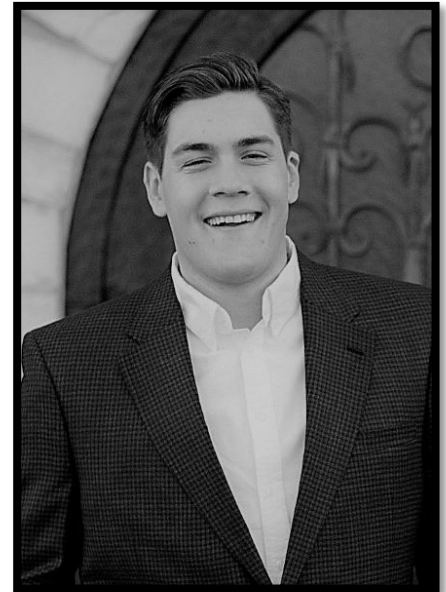
BBA in Accounting – Texas Tech University
MS in Accounting – Texas Tech University

Career Experience

Snow Garrett Williams – Senior
Coleman, Horton & Company LLP- Staff
BDO LLP- Staff

Professional Organizations

American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Fort Worth Chapter of Certified Public Accountants



Governmental Audit Experience and Training

Mr. Ely has had experience with and is directly involved in all of our school district audit clients. He has attended training seminars on governmental entities, including school districts, and was awarded the Intermediate Single Audit Certification issued by the AICPA.





Continuing Professional Education

As a firm committed to quality work and due to our heavy concentration in governmental auditing, all firm members working on governmental audits have met and exceeded the minimum continuing education requirements as required by the Federal government and the AICPA. Every professional working on the District's audit has also (and will continue to) attended annual courses on governmental auditing. Our professionals focus on serving a specific industry, and the team chosen to serve you is continuously exposed to and trained on issues impacting Texas independent school districts.

Quality Controls

The workpapers for each audit engagement are reviewed by the supervisory members of the audit team to ensure that the audit procedures set forth in the work program have been satisfactorily completed and that the working papers provide support for the conclusions reached.

We will use our firm's disclosure checklist and audit programs customized for governmental entities along with our experience and knowledge from other governmental entities to perform our audit. In addition, all audit working papers will be maintained for a minimum of at least five years after the report release date and we understand that all information disclosed by the Era Independent School District for the purpose of audit work performed is to be kept strictly confidential.

We are also voluntary members of the Private Companies Practice Section of the AICPA. The Section requires strict quality control procedures and a high degree of commitment to continuing professional development. The Section requires a continuous monitoring system and periodic inspections by the Institute of the firm's procedures to maintain membership. The Section's membership is voluntary, and the requirements are stringent, but we believe strongly in the purpose of the Section as a result of our personal commitment to excelling.

Service to Independent School Districts

We are currently engaged to perform audit services to nineteen other school districts throughout the area as well as two community colleges. Our school district audit team strives to stay current in Texas Education Agency (TEA) requirements by attending the Texas School District Accounting and Auditing Conference annually and through memberships with TASBO and TEA's ListServ.

We encourage your staff to take advantage of our accessibility throughout the year for questions that may arise. We pride ourselves in being experts in the school district audit field and make every effort to keep our clients updated on GASB and TEA topics throughout the year. We also host an annual client training during the summer which is held virtually for our school district audit clients and is free of cost.



Service Philosophy

Our philosophy of personalized service means that the knowledge and experience of our partners and the rest of the professional staff will be readily at your service throughout the year not only to answer questions but also to take the initiative to keep you informed of pending changes and developments.

Whenever possible, during the audit, we will utilize your personnel to keep our chargeable time (and billings) to a minimum. This will be accomplished without disruption by having your personnel prepare many of the necessary schedules and organize needed material in advance.

Estimate of Costs for Services to be performed

If we are selected to be responsible for the engagement based upon our qualifications and our proposed approach to the work, we can assure you that our fees will be competitive. Our services will be performed in the highest professional manner and will conform to the standards and rules of ethics of the various professional societies of which we are members. Professional ethics prohibit us from providing you with a competitive bid; however, we can provide an estimate of fees as follows:

2022 Fiscal Year	\$24,000
2023 Fiscal Year	\$25,000
2024 Fiscal Year	\$25,500
2025 Fiscal Year	\$26,000
2026 Fiscal Year	\$27,000

The estimated fees are based on current auditing standards. In the absence of an internal control evaluation and a customized audit program, an estimate of our fees for professional services as described above cannot be precise.

Furthermore, the actual fees incurred may vary from the fee quoted below because of the following factors:

- Competence and performance of your key accounting personnel
- Presence and implementation of accounting policies and procedures manual
- Quality and quantity of internal accounting controls
- Organization and maintenance of accounting records
- Level of assistance provided by the District's personnel during the audit

We understand that you will provide us with the basic information required for our audit and that you are responsible for the completeness and accuracy of that information. Therefore, the estimated fee provided above is intended to indicate the order of magnitude of your investment in our services.



Conclusion

In conclusion, we are enthusiastic about the possibility to provide Era Independent School District with our professional services. Our concept of service emphasizes an integrated approach to the requirements and needs of our clients, bringing to bear the experiences and expertise of our people in auditing and systems planning, development, and implementation. Our office has a full staff of individuals qualified and dedicated to this concept.

We are confident that we have the capability of rendering creative and constructive services of the highest quality in an efficient, timely, and economical manner. If you should have any questions or desire any additional information, please contact us.

Respectfully submitted,

A handwritten signature in black ink that reads "Snow Garrett Williams". The signature is written in a cursive, flowing style.

Snow Garrett Williams

References

Glen Rose Independent School District

Contact: Ms. Kayla O'Quinn, Director of Finance
1102 Stadium Drive
Glen Rose, Texas 76043
(254) 898-3910
Years Audited by SGW: 10+
ADA: 1,857

Mineral Wells Independent School District

Contact: Mr. Paul Hearn, Chief Financial Officer
906 S.W. 5th Avenue
Mineral Wells, Texas 76067
(940) 325-6404
Years Audited by SGW: 10+
ADA: 3,237

Santo Independent School District

Contact: Ms. Karen Mori, Business Manager
406 FM 2201
Santo, Texas 76472
(940) 769-2835
Years Audited by SGW: 10+
ADA: 487

Decatur Independent School District

Contact: Ms. Cindy Tatum, Deputy Superintendent
307 S. Cates Street
Decatur, Texas 76234
(940) 393-7100
Years Audited by SGW: 10+
ADA: 3,413

Brock Independent School District

Contact: Mr. Mike McSwain, Chief Financial Officer
410 Eagle Spirit Lane
Brock, Texas 76087
(817) 594-7642
Years Audited by SGW: 10+
ADA: 1,606

Stephenville Independent School District

Contact: Ms. Teri Hodges, Executive Director for Finance and Operations
2655 West Overhill
Stephenville, Texas 76401
(254) 968-7990
Years Audited by SGW: 6
ADA: 3,837

