



## Regular Meeting of the Board of Directors

City of Texarkana, Arkansas

216 Walnut Street

**Agenda - Monday, March 15, 2021 - 6:00 PM**

Call to Order

Roll Call

Invocation and Pledge of Allegiance given by Director Ulysses Brewer

### CONSENT

1. Approval of the minutes of the rescheduled regular meeting March 1, 2021. (CCD)
2. Adopt a Resolution to accept the 2020 Audit Engagement Letter prepared by the accounting firm BKD, LLP. (FIN)
3. Adopt a Resolution appointing Dara Cornett to the Texarkana, Arkansas Public Employee Retirement System (TAPERS) Committee. (CCD)

### REGULAR

#### CITIZEN COMMUNICATION

*A limit of five (5) minutes per person is allotted for citizens to express their concerns to the Board of Directors, with a maximum of fifty (50) minutes reserved for Citizens Communication. The Board of Directors cannot respond to citizens' concerns during this time.*

*Be respectful of the Board of Directors, city staff, and the public by refraining from abusive conduct, personal charges, or verbal attacks.*

**NEXT MEETING DATE: Monday, April 5, 2021**

**ADJOURN**



## CITY OF TEXARKANA, AR BOARD OF DIRECTORS

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<b>AGENDA TITLE:</b>	Approval of the minutes of the rescheduled regular meeting March 1, 2021. (CCD)
<b>AGENDA DATE:</b>	March 15, 2021
<b>ITEM TYPE:</b>	Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Other <input checked="" type="checkbox"/> : Minutes
<b>DEPARTMENT:</b>	City Clerk Department
<b>PREPARED BY:</b>	Heather Soyars, City Clerk
<b>REQUEST:</b>	Approval of meeting minutes.
<b>EMERGENCY CLAUSE:</b>	N/A
<b>SUMMARY:</b>	Approval of meeting minutes
<b>EXPENSE REQUIRED:</b>	N/A
<b>AMOUNT BUDGETED:</b>	N/A
<b>APPROPRIATION REQUIRED:</b>	N/a
<b>RECOMMENDED ACTION:</b>	The City Clerk recommends Board approval.
<b>EXHIBITS:</b>	Meeting minutes.



## **Regular Meeting of the Board of Directors**

City of Texarkana, Arkansas

216 Walnut Street

**Minutes - Monday, March 01, 2021 - 6:00 PM**

Mayor Brown called the meeting to order at 6:00 PM.

PRESENT: Mayor Allen Brown, Ward 1 Director Terry Roberts, Ward 2 Director Laney Harris, Assistant Mayor Ward 3 Director Steven Hollibush, Ward 4 Director Ulysses Brewer, Ward 5 Director Barbara Miner and Ward 6 Director Jeff Hart.

ALSO, PRESENT: City Manager Dr. Kenny Haskin, City Attorney George Matteson, City Clerk Heather Soyars and Deputy City Clerk Jenny Narens.

The Invocation and Pledge of Allegiance was given by Mayor Allen Brown.

### **CONSENT**

Director Roberts made the motion to approve the Consent agenda, Seconded by Assistant Mayor Hollibush.

Mayor Brown declared the motion carried unanimously.

The item approved was:

1. Approval of the minutes of the rescheduled regular meeting February 16, 2021. (CCD)

### **REGULAR**

#### **CITIZEN COMMUNICATION**

Bill Lavender said he was a life-long resident of Texarkana, Arkansas, and had served at one time as the City Attorney. He said he began his career as an attorney at the Arnold Firm with William H. Arnold. He said Mr. Arnold gave him a book entitled "Ordinances of the City of Texarkana, Arkansas" published December 20, 1904, and Mr. Lavender presented this book to City Manager Dr. Kenny Haskin.

Cylestine and Vance Thornton, 6608 Harris, said her street was located between Hwy 67 and Sugarhill Road and the condition of her street was horrible. She had spoken to Public Works Director Tyler Richards and potholes had been filled, but they did not remain filled. The street

was not a level surface and not good for driving. She asked the Board to consider looking at her road for improvement.

Direct Harris passed out the following reference from the City of Texarkana, Arkansas, Code of Ordinances:

**Sec. 2-17. - Bringing business before board—Filing.**

(a) All matters of business coming before any regular meeting of the board of directors for action shall be filed with the office of the city manager by 5:00 p.m. on the second Wednesday prior to the regular board meeting. Failure to file notice of intention to seek action on an item of business at least seven (7) business days prior to a regular board meeting shall prevent said business from being included as an agenda item at said meeting.

(b) Copies of filings made in accordance with this section shall be provided to the city manager, city attorney and to each city department head. Department heads and/or the city attorney may thereafter provide comments concerning each proposed item to the city manager. The city manager, by 5:00 p.m. on the Wednesday following the timely filing of an item, and after consideration of any comments received in accordance with this provision, shall make a recommendation of "staff recommends approval" or "staff does not recommend approval" as to each item filed. Unless board consideration is necessitated by other applicable law (for example, proper administrative appeal or consideration of prior action of the planning commission) items not recommended for approval by staff shall not be included on the agenda for the upcoming board meeting and, for any such item originally filed by a member of the board of directors, the city manager shall promptly (within at least thirty (30) days) schedule a workshop of the board of directors for the purpose of discussing the item and, in the event that the item thereafter receives the affirmative endorsement of at least two members of the board of directors, the same will be added to the agenda for the next regularly scheduled meeting occurring no sooner than seven (7) business days following the workshop.

(c) Matters which have been previously voted on and decided by the board of directors at a regular or special meeting of the board cannot be reconsidered at the meeting during which the same was voted and decided, nor resubmitted to the board of directors until the expiration of one hundred eighty (180) days after such vote and decision unless reconsideration is approved by a two-thirds ( 2/3 ) vote of the board of directors.

Director Harris said he wanted the Board to reconsider this ordinance.

Director Harris said the Animal Care and Adoption Center received \$1 million on behalf of the Neva Nell McCormick Trust and he would like the new animal shelter building to be named after her.

Director Harris said he had received many calls about trains on the tracks on Pinehurst and Seibert Street.

**EXECUTIVE SESSION**

Mayor Brown said Director Harris requested an Executive Session. The Board entered Executive Session at 6:25 PM.

The meeting reconvened at 6:40 PM.

**NEXT MEETING DATE: Monday, March 15, 2021**

**ADJOURN**

Director Brewer made the motion to adjourn, Seconded by Assistant Mayor Hollibush.

Voting Yea: Mayor Brown, Director Roberts, Director Harris, Assistant Mayor Hollibush, Director Brewer, Director Miner and Director Hart.

Mayor Brown declared the motion carried by a 7-0 vote. The meeting adjourned at 6:41 PM.

**APPROVED** this the 15<sup>th</sup> day of March, 2021.

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Allen L. Brown, Mayor

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Heather Soyars, City Clerk



## CITY OF TEXARKANA, AR BOARD OF DIRECTORS

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<b>AGENDA TITLE:</b>	Adopt a Resolution to accept the 2020 Audit Engagement Letter prepared by the accounting firm BKD, LLP. (FIN)
<b>AGENDA DATE:</b>	March 15, 2021
<b>ITEM TYPE:</b>	Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Other <input type="checkbox"/> : _____
<b>DEPARTMENT:</b>	Finance
<b>PREPARED BY:</b>	TyRhonda Henderson, Finance Director

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<b>REQUEST:</b>	N/A
<b>EMERGENCY CLAUSE:</b>	N/A

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<b>SUMMARY:</b>	This item is to approve a letter of engagement with the firm BKD, LLP to conduct the City of Texarkana, Arkansas' and the Bi-State Justice Center's 2020 Annual Audit and preparation of the Consolidated Annual Financial Report. They are experienced in conducting Government Audits and are also used by other cities within the state of Arkansas as well as other cities throughout the United States. The City Manager and Finance Director recommend approving a one-year letter of engagement. The one-year engagement is a 5% increase from 2019 to 2020, plus additional fees up to \$8,000 for the implementation of GASB 84 and \$5,000 for anticipated one major program audited under Uniform Guidance.
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<b>EXPENSE REQUIRED:</b>	\$111,500
<b>AMOUNT BUDGETED:</b>	\$104,000
<b>APPROPRIATION REQUIRED:</b>	\$7,500

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<b>RECOMMENDED ACTION:</b>	The City Manager and staff recommend that the City Board of Directors approve the attached resolution
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<b>EXHIBITS:</b>	Resolution and Audit Engagement Letter prepared by the accounting firm BKD, LLP.
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# RESOLUTION NO. \_\_\_\_\_

**WHEREAS**, the firm BKD, LLP, has submitted a letter of engagement to conduct annual audits for the City of Texarkana, Arkansas, and the Bi-State Justice Center for 2020; and

**WHEREAS**, BKD, LLP, has experience with conducting such audits and similar governmental audits, including audits for other cities within the state of Arkansas and throughout the United States; and

**WHEREAS**, the City Manager and Finance Director recommend approving a one-year engagement with a 5.0% increase from 2019 to 2020, plus an additional fee up to \$8,000.00, for the implementation of GASB 84; and \$5,000.00, for the anticipated one major program audited under Uniform Guidance; and

**WHEREAS**, the proposed expense necessitates a \$7,500.00, appropriation in the Fiscal Year 2021 Budget; and

**WHEREAS**, the City Manager and staff recommend board approval; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the City of Texarkana, Arkansas, that the City Manager is authorized and directed to enter into a letter of engagement with BKD, LLP, in the total amount of \$111,500.00, and, further, that the Fiscal Year 2021 Budget is amended to reflect the appropriate and associated expense so described.

**PASSED AND APPROVED** this 15<sup>th</sup> day of March, 2021.

\_\_\_\_\_  
Allen L. Brown, Mayor

**ATTEST:**

\_\_\_\_\_  
Heather Soyars, City Clerk

**APPROVED:**

\_\_\_\_\_  
George Matteson, City Attorney

February 22, 2021

Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
216 Walnut Street  
Texarkana, Arkansas 71854-6065

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide to City of Texarkana, Arkansas and Bi-State Justice Center.

### **ENGAGEMENT OBJECTIVES AND SCOPE**

We will audit the basic financial statements of City of Texarkana, Arkansas (the City) and Bi-State Justice Center (the Center) as of and for the year ended December 31, 2020, and the related notes to the financial statements.

Our audit will be conducted with the objectives of:

- ✓ Expressing an opinion on the City's and the Center's financial statements.
- ✓ Issuing a report on your compliance based on the audit of the City's and the Center's financial statements.
- ✓ Issuing a report on your internal control over financial reporting based on the audit of the City's and the Center's financial statements.
- ✓ Expressing an opinion on the City's compliance, in all material respects, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that are applicable to each of your major federal award programs.
- ✓ Issuing a report on the City's internal control over compliance based on the audit of your compliance with the types of compliance requirements that are applicable to each of your major federal award programs.
- ✓ Issuing a report on the City's schedule of expenditures of federal awards.



Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
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## **OUR RESPONSIBILITIES**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States 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). Those standards require that we plan and perform:

- ✓ The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error.
- ✓ The audit of compliance with the types of compliance requirements described in the *OMB Compliance Supplement* applicable to each major federal award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal award program occurred.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance having a direct and material effect may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Also, in the future, procedures could become inadequate because of changes in conditions or deterioration in design or operation. Two or more people may also circumvent controls, or management may override the system.

Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
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We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate letter to be signed by you and BKD.

Cynthia Burns, Director, is responsible for supervising the engagement and authorizing the signing of the report or reports.

We will issue a written report upon completion of our audit of the City's and the Center's financial statements. Our report will be addressed to the Honorable Mayor, City Manager, and the Board of Directors of the City of Texarkana, Arkansas for the audit of the City and to the Intergovernmental Advisory Committee for the audit of the Center. You are responsible to distribute our reports to other officials who have legal oversight authority or those responsible for acting on audit findings and recommendations, and to others authorized to receive such reports. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph(s), or withdraw from the engagement. If we discover conditions that may prohibit us from issuing a standard report, we will notify you as well. In such circumstances, further arrangements may be necessary to continue our engagement.

We will also express an opinion on whether the combining and individual fund statements and budgetary comparison schedules ("supplementary information") are fairly stated, in all material respects, in relation to the financial statements as a whole.

### **YOUR RESPONSIBILITIES**

Our audit will be conducted on the basis that management acknowledges and understands that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation and maintenance 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;
3. For identifying and ensuring compliance with the laws, regulations, contracts and grants applicable to your activities (including your federal award programs) and

Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
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4. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management written confirmation acknowledging certain responsibilities outlined in this engagement letter and confirming:

- The availability of this information
- Certain representations made during the audits for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures or other engagements that satisfy relevant legal, regulatory or contractual requirements or fully meet other reasonable user needs.

With regard to supplementary information (only applicable to the audit of the City):

- Management is responsible for its preparation in accordance with applicable criteria
- Management will provide certain written representations regarding the supplementary information at the conclusion of our engagement
- Management will include our report on this supplementary information in any document that contains this supplementary information and indicates we have reported on the supplementary information
- Management will make the supplementary information readily available to intended users if it is not presented with the audited financial statements

Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
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## **OTHER SERVICES**

### The City's Compliance with Certain State Acts

We will examine management's written assertion that the City complied with certain state acts during the year ended December 31, 2020.

The objective of our examination is the expression of an opinion in a written report about whether the responsible party's assertion is fairly stated, in all material respects, with the applicable criteria against which it is measured or evaluated.

The criteria to be used consist of the requirements of Arkansas Act 15 of 1985 and the following Arkansas statutes:

1. Arkansas Municipal Accounting Law of 1973, § 14-59-101 et seq.;
2. Arkansas District Courts and City Courts Accounting Law, § 16-10-201 et seq.;
3. Improvement contracts, §§ 22-9-202 – 22-9-204;
4. Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and § 14-58-301 et seq.;
5. Investment of public funds, § 19-1-501 et seq.; and
6. Deposit of public funds, §§ 19-8-101 – 19-8-107.

We will conduct our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable, rather than absolute, assurance about whether the subject matter as measured or evaluated against the criteria is free of material misstatement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the examination is properly planned and performed in accordance with the attestation standards.

Our engagement will not include a detailed examination of every transaction and cannot be relied on to disclose all errors, fraud or illegal acts that may exist. However, we will inform you of any such matters, if material, that come to our attention.

Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
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We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement. If we discover conditions which may prohibit us from issuing a standard examination report, we will notify you. In such circumstances, further arrangements may be necessary to continue our engagement.

To facilitate our engagement, management is responsible for providing a written assertion about the measurement or evaluation of the subject matter against the criteria, supplying us with all necessary information and for allowing us access to personnel to assist in performing our services. It should be understood that management is responsible for the accuracy and completeness of these items, for the subject matter and the written assertion(s) referred to above and for selecting and determining the appropriateness of the criteria.

At the conclusion of our engagement, management will provide to us a letter confirming these responsibilities, whether it is aware of any material misstatements in the subject matter or assertion, and that it has disclosed all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion.

Management is responsible for establishing and maintaining effective internal control over financial reporting and setting the proper tone; creating and maintaining a culture of honesty and high ethical standards; and establishing appropriate controls to prevent, deter and detect fraud and illegal acts. Management is also responsible for identifying and ensuring compliance with the laws and regulations applicable to your activities and for establishing and maintaining effective internal control over compliance.

#### Electronic Submission

We will also complete the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse. We will not make the submission on your behalf. You will review a draft(s) of the submission prior to transmission and agree that you are solely responsible for approving the final draft for transmission as well as for the auditee submission and certification.

#### Other:

We will provide you with the following nonattest services:

- Preparing a draft of the Comprehensive Annual Financial Report
- Assisting with printing and processing the final report

Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
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In addition, we may perform other services for you not covered by this engagement letter. You agree to assume full responsibility for the substantive outcomes of the services described above and for any other services that we may provide, including any findings that may result. You also acknowledge that those services are adequate for your purposes and that you will establish and monitor the performance of those services to ensure that they meet management's objectives. Any and all decisions involving management responsibilities related to those services will be made by you, and you accept full responsibility for such decisions. We understand that you will designate a management-level individual to be responsible and accountable for overseeing the performance of those services, and that you will have determined this individual is qualified to conduct such oversight.

### **ENGAGEMENT FEES**

Our fees will be \$98,500 for the audits of the financial statements of the City and Center and \$5,000 for anticipated one major program audited under Uniform Guidance. Additional fees for time expended for the implementation of GASB 84, discussed below, including testing the defined contribution plan, if applicable, is expected to range between \$2,000 and \$8,000.

Our fees do not consider additional efforts related to the SARS-CoV-2 virus and the incidence of COVID-19 environment and the impact of accounting and auditing issues such as going concern, collectibility of receivables, compliance with debt agreements, modification of lease terms, additional major programs subject to Single Audit. Such amounts will be billed based on time expended.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. We will issue progress billings during the course of our engagement, and payment of our invoices is due upon receipt. Interest will be charged on any unpaid balance after 30 days at the rate of 10% per annum, or as allowed by law at the earliest date thereafter, and highest applicable rate if less than 10%.

Our engagement fee does not include any time for post-engagement consultation with your personnel or third parties, consent letters and related procedures for the use of our reports in offering documents, inquiries from regulators or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

Our fees may also increase if our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards.

Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
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If our invoices for this or any other engagement you may have with BKD are not paid within 30 days, we may suspend or terminate our services for this or any other engagement. In the event our work is suspended or terminated as a result of nonpayment, you agree we will not be responsible for any consequences to you.

### **IMPLEMENTATION OF FIDUCIARY ACTIVITIES STANDARD**

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, is effective for reporting periods beginning after December 15, 2019, with retrospective application in the year the update is first applied. The Statement is expected to significantly change how entities evaluate and report fiduciary activities.

If the entity would like to early adopt or begin the process of preparing for the retrospective application of this Statement during the current year's audit, BKD can assist you with this process. Assistance and additional time as a result of the adoption are not included within our standard engagement fees. Our fees as a result of the adoption of the Standard will be based on time expended and will vary based on the level of assistance and procedures required. We will need input and assistance from the accounting department throughout the process of implementation.

### **OTHER ENGAGEMENT MATTERS AND LIMITATIONS**

BKD is not acting as your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, BKD is not recommending any action to you and does not owe you a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such information or communications with any and all internal or external advisors and experts you deem appropriate before acting on any such information or material provided by BKD.

Our workpapers and documentation retained in any form of media for this engagement are the property of BKD. We can be compelled to provide information under legal process. In addition, we may be requested by regulatory or enforcement bodies to make certain workpapers available to them pursuant to authority granted by law or regulation. You agree that we have no legal responsibility to you in the event we provide such documents or information.

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Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
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You agree to indemnify and hold harmless BKD and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement attributable to false or incomplete representations by management, except to the extent determined to have resulted from the intentional or deliberate misconduct of BKD personnel.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

Either of us may terminate these services at any time. Both of us must agree, in writing, to any future modifications or extensions. If services are terminated, you agree to pay us for time expended to date. In addition, you will be billed travel costs and fees for services from other professionals, if any, as well as an administrative fee of 4% to cover items such as copies, postage and other delivery charges, supplies, technology-related costs such as computer processing, software licensing, research and library databases and similar expense items.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and BKD.

We may from time to time utilize third-party service providers, *e.g.*, domestic software processors or legal counsel, or disclose confidential information about you to third-party service providers in serving your account. We remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information. In the event we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider.



Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
Ms. TyRhonda Henderson, Finance Director  
City of Texarkana, Arkansas  
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You agree to assume full responsibility for maintaining your original data and records and that BKD has no responsibility to maintain this information. You agree you will not rely on BKD to provide hosting, electronic security or backup services, *e.g.*, business continuity or disaster recovery services, to you unless separately engaged to do so. You understand that your access to data, records and information from BKD's servers, *i.e.*, BKDconnect, can be terminated at any time and you will not rely on using this to host your data and records.

We will, at our discretion or upon your request, deliver financial or other confidential information to you electronically via email or other mechanism. You recognize and accept the risk involved, particularly in email delivery as the internet is not necessarily a secure medium of communication as messages can be intercepted and read by those determined to do so.

You agree you will not modify these documents for internal use or for distribution to third parties. You also understand that we may on occasion send you documents marked as draft and understand that those are for your review purpose only, should not be distributed in any way and should be destroyed as soon as possible.

The entity may wish to include our report on these financial statements in an exempt offering document. The entity agrees that the aforementioned auditor's report, or reference to our firm, will not be included in any such offering document without notifying us. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.

Any exempt offering document issued by the entity with which we are not involved will clearly indicate that we are not involved by including a disclosure such as, "**BKD, LLP**, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. **BKD, LLP**, also has not performed any procedures relating to this offering document."

You agree to notify us if you desire to place these financial statements or our report thereon along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. You recognize that we have no responsibility as auditors to review information contained in electronic sites.

Any time you intend to reference our firm name in any manner in any published materials, including on an electronic site, you agree to provide us with draft materials for our review and approval before publishing or posting such information.

Honorable Mayor and Board of Directors  
Mr. Kenny Haskin, City Manager  
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BKD is a registered limited liability partnership under Missouri law. Under applicable professional standards, partners of **BKD, LLP** have the same responsibilities as do partners in a general accounting and consulting partnership with respect to conformance by themselves and other professionals in BKD with their professional and ethical obligations. However, unlike the partners in a general partnership, the partners in a registered limited liability partnership do not have individual civil liability, directly or indirectly, including by way of indemnification, contribution, assessment or otherwise, for any debts, obligations or liabilities of or chargeable to the registered limited liability partnership or each other, whether arising in tort, contract or otherwise.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our most recent peer review report accompanies this letter.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. If the signed copy you return to us is in electronic form, you agree that such copy shall be legally treated as a “duplicate original” of this agreement.

**BKD, LLP**



Acknowledged and agreed to on behalf of

**CITY OF TEXARKANA, ARKANSAS**

BY \_\_\_\_\_  
Allen L. Brown, Mayor

DATE \_\_\_\_\_

BY \_\_\_\_\_  
Kenny Haskin, City Manager

DATE \_\_\_\_\_



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809  
225-922-4600 Phone – 225-922-4611 Fax – [pncpa.com](http://pncpa.com)

*Postlethwaite & Netterville and Associates, L.L.C.*

## Report on the Firm's System of Quality Control

To the Partners of BKD, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020. 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](http://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 the system of quality control and the firm's compliance therewith 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, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to 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 BKD, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020, 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*. BKD, LLP has received a peer review rating of *pass*.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
November 2, 2020



## CITY OF TEXARKANA, AR BOARD OF DIRECTORS

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<b>AGENDA TITLE:</b>	Adopt a Resolution appointing Dara Cornett to the Texarkana, Arkansas Public Employee Retirement System (TAPERS) Committee. (CCD)
<b>AGENDA DATE:</b>	March 15, 2021
<b>ITEM TYPE:</b>	Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Other <input type="checkbox"/> : _____
<b>DEPARTMENT:</b>	City Clerk
<b>PREPARED BY:</b>	Heather Soyars
<b>REQUEST:</b>	Appoint Dara Cornett to the TAPERS Committee.
<b>EMERGENCY CLAUSE:</b>	N/A
<b>SUMMARY:</b>	Adopt a Resolution appointing Dara Cornett to the TAPERS Committee to fill the vacancy left by Larry Vaden.
<b>EXPENSE REQUIRED:</b>	N/A
<b>AMOUNT BUDGETED:</b>	N/A
<b>APPROPRIATION REQUIRED:</b>	N/A
<b>RECOMMENDED ACTION:</b>	The City Manager and staff recommend approval.
<b>EXHIBITS:</b>	Resolution

# RESOLUTION NO. \_\_\_\_\_

**WHEREAS**, it is necessary to appoint the following person to fill a vacant seat on the following designated board(s) and commission(s);

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the City of Texarkana, Arkansas, that Dara Cornett is appointed to the Texarkana, Arkansas Public Employee Retirement System (TAPERS) Committee to fill the vacancy left by Larry Vaden.

**PASSED AND APPROVED** this 15<sup>th</sup> day of March, 2021.

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Allen L. Brown, Mayor

**ATTEST:**

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Heather Soyars, City Clerk

**APPROVED:**

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George Matteson, City Attorney