



**CITY OF WHARTON
FINANCE COMMITTEE MEETING**

**Monday, October 28, 2019
5:30 PM**


120 E CANEY ST. WHARTON, TX 77488

**NOTICE OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING**

Notice is hereby given that a Finance Committee Meeting will be held on Monday, October 28, 2019 at 5:30 PM at the Wharton City Hall, 120 East Caney Street, Wharton, Texas, at which time the following subjects will be discussed to-wit:

SEE ATTACHED AGENDA

Dated this 24th day of October 2019.


By: 
Andres Garza, Jr., City Manager

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Finance Committee Meeting is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board, at City Hall of said City or Town in Wharton, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on October 24, 2019, at 4:30 p.m. and remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

The Wharton City Hall is wheelchair accessible. Access to the building and special parking is available at the primary entrance. Persons with disabilities, who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's Office at (979) 532-4811 Ext. 225 or by FAX (979) 532-0181 at least two (2) days prior to the meeting date. BRAILLE IS NOT AVAILABLE.

Dated this 24 day of October 2019.

CITY OF WHARTON

By: 
Paula Favors
City Secretary



A G E N D A
CITY OF WHARTON
Finance Committee Meeting
Monday, October 28, 2019
City Hall - 5:30 PM

Call to Order.

Roll Call.

Public Comments.

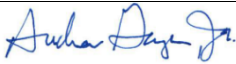
Review & Consider:

1. Minutes from the meeting held July 22, 2019.
2. Ordinance: An ordinance approving an amendment to the City of Wharton Budget October 1, 2019 – September 30, 2020.
3. Resolution: A resolution of the Wharton City Council approving two - one year extensions with Harrison Waldrop & Uherek, LLP for auditing services for the City of Wharton and authorizing the Mayor of the City of Wharton to execute all documents related to agreements on behalf of the City of Wharton.
4. Resolution: A resolution of the Wharton City Council authorizing the submission of applications to the Texas Department of Emergency Management under the Pre-Disaster Mitigation Grant Program on behalf of Wharton Independent School District and authorizing the Mayor of the City of Wharton to execute all documents relating to said applications.

Adjournment.

City of Wharton
120 E. Caney Street
Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	10/28/2019	Agenda Item:	Minutes from the meeting held July 22, 2019.
Attached are a copy of the draft minutes from the meeting held July 22, 2019.			
City Manager: Andres Garza, Jr.		Date: Thursday, October 24, 2019	
Approval: 			
Mayor: Tim Barker			

**MINUTES
OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING
120 EAST CANEY STREET
WHARTON, TEXAS 77488
Monday, July 22, 2019 –5:30 p.m.**

City Manager Andres Garza, Jr. declared a meeting of the City Council Finance Committee duly open for the transaction of business at 5:38 p.m.

Committee Members present were: Councilmember Russell Machann and Mayor Tim Barker.

Committee Member absent was: Councilmember Alice Heard.

City Council Member present was: None.

Staff members present were: City Manager Andres Garza, Jr. Assistant to the City Manager Brandi Jimenez, Finance Director Joan Andel, City Secretary Paula Favors and Community Development Director Gwyn Teves.

Staff member absent was: None.

Visitors: Mr. Carlos Cotton of Jones & Carter.

Public Comments. There were no public comments.

The first item on the agenda was to review and consider the minutes from the meeting held May 23, 2019. Councilmember Russell Machann made a motion to approve the minutes as presented. Mayor Tim Barker seconded. All voted in favor.

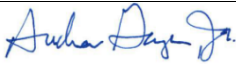
The second item on the agenda was to review and consider City of Wharton TML-Multistate IEBP Health re-rate options for the 2019-2020 year. City Secretary Paula Favors presented to the Committee the two (2) options for the City of Wharton TML-Multistate IEBP Health re-rate for the 2019-2020 year. She stated that the recommendation from the City Staff is to consider Option 2 for the health insurance plan and contribute the previous year's amount of \$1,250.00 to a Health Reimbursement Agreement (HRA) to offset the deductible or other medical expenses. After some discussion, Councilmember Russell Machann made a motion to recommend to the City Council Option 2 for the health insurance plan and contribute the previous year's amount of \$1,250.00 to a Health Reimbursement Agreement (HRA) to offset the deductible or other medical expenses. Mayor Tim Barker seconded. All voted in favor.

The third item on the agenda was adjournment. Mayor Tim Barker moved to adjourn. Councilmember Russell Machann seconded the motion. All voted in favor.

The meeting adjourned at 5:50 p.m.

City of Wharton
120 E. Caney Street
Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	10/28/2019	Agenda Item:	Ordinance: An ordinance approving an amendment to the City of Wharton Budget October 1, 2019 – September 30, 2020.
<p>Finance Director Joan Andel will present the City of Wharton Budget Adjustments for fiscal year October 1, 2019 through September 30, 2020 during the meeting.</p> <p>The City Council Finance Committee will review the amendments and formulate a recommendation to the City Council.</p>			
City Manager: Andres Garza, Jr.		Date: Thursday, October 24, 2019	
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

Phone (979) 532-2491° Fax (979) 532-
0181

MEMORANDUM

To: Mr. Andres Garza, Jr.
City Manager

From: Joan Andel 

Date: October 21, 2019

Re: Budget Amendment

Due to the signing of the Colorado Bend II Industrial Agreement agreement dated October 10, 2019, I would like to make the following budget amendment for FY2020:

Increase Revenue – General Fund Industrial District \$1,700,000.00

Increase Expenses- General Fund Vehicles Police - \$150,000.00 (3 vehicles)

Increase Fund Balance –General Fund \$798,360.00

I would like to submit these to the Finance Committee for approval. I would also like to discuss other possible amendments to the FY2020 budget at this time for future presentment.

Please contact me if you have any questions.

Agenda Item2.

REVENUE & EXPENSE WORKSHEET

AS OF: JULY 31ST, 2019

10 -General
FINANCIAL SUMMARY

ACCT NO#	ACCT NAME	Department							
		Actual YTD 9/30/18	Budget For Yr 9/30/18	YTD Actual	Budget For Yr 9/30/19	Projected 9/30/19	Requested FY 2020	Proposed FY 2020	Next Revision
		AB				NY	DH		
REVENUE SUMMARY									

Ad Valorum Taxes		818,284	934,213	476,289	677,179	677,179	685,911	685,911	_____
Sales Tax		1,416,116	1,414,122	1,242,507	1,490,378	1,490,378	1,505,378	1,505,378	_____
Other Taxes		1,102,139	1,126,489	583,555	1,064,666	1,064,666	1,072,768	1,072,768	_____
License and Permits		119,824	85,400	129,784	93,507	93,507	127,707	127,707	_____
Fines and Forfeitures		296,751	267,119	187,333	304,450	304,450	304,650	304,650	_____
Industrial District Pmt.		1,276,673	826,465	1,882,084	1,838,530	1,838,530	442,635	2,142,635	_____
Charges for Services		14,841	12,250	10,846	9,350	9,350	10,000	10,000	_____
Interest and Miscellaneou		120,184	66,046	27,796	66,046	66,046	66,046	66,046	_____
Intergovernmental		482,695	309,750	236,023	354,750	354,750	298,250	298,250	_____
Transfers In		897,212	819,616	431,987	912,713	912,713	1,768,617	970,257	_____
** TOTAL REVENUE **		6,544,718	5,861,470	5,208,203	6,811,569	6,811,569	6,281,962	7,183,602	
EXPENDITURE SUMMARY									

Mayor & Council		20,962	31,225	23,422	36,025	36,025	27,325	27,325	_____
City Manager		277,588	264,932	230,266	270,069	270,069	270,069	270,069	_____
City Secretary		114,215	102,049	99,302	113,249	113,249	113,023	113,023	_____
Legal and Professional Se		93,259	84,250	68,502	74,000	74,000	74,000	74,000	_____
Finance		299,143	282,720	236,719	299,160	299,160	298,365	298,365	_____
Municipal Courts		157,388	143,705	118,758	152,681	152,681	146,876	146,876	_____
Central Services		149,730	74,597	58,214	100,747	100,747	82,300	82,300	_____
Police		2,252,075	2,092,721	1,682,915	2,340,483	2,340,483	2,303,031	2,303,031	_____
Fire		330,399	321,072	395,837	400,541	400,541	400,244	400,244	_____
Code Enforcement		254,479	290,021	210,871	314,683	314,683	281,640	281,640	_____
Emergency Management		102,944	113,643	85,534	121,113	121,113	115,719	115,719	_____
Animal Control		60,054	62,791	52,440	66,273	66,273	66,266	66,266	_____
Communications		481,263	488,908	500,623	589,680	589,680	587,600	587,600	_____
Streets & Drainage		769,970	791,627	796,250	877,876	877,876	877,876	877,876	_____
Garage		132,133	181,498	97,891	146,946	146,946	146,630	146,630	_____
Facilities Maintenance		229,449	245,428	209,408	259,102	259,102	259,547	259,547	_____
Grant Admin/Housing		0	10,896	0	0	0	0	0	_____
Recreation		57,709	45,500	23,481	23,000	23,000	22,500	22,500	_____
Pool		56,040	48,527	51,866	53,201	53,201	53,201	53,201	_____
Grants		112,523	8,000	83,836	21,740	21,740	5,750	5,750	_____
Lease Payments		72,465	22,100	56,626	91,000	91,000	0	0	_____
Capital Outlay		283,482	155,260	213,421	460,000	460,000	150,000	300,000	_____
Transfers-Out		0	0	0	0	0	0	0	_____
** TOTAL EXPENDITURES **		6,307,268	5,861,470	5,296,181	6,811,569	6,811,569	6,281,962	6,431,962	
=====									
REVENUES OVER/(UNDER) EXPENDITURES		237,449	0 (87,978)		0	0	0	751,640	
=====									

**CITY OF WHARTON, TEXAS
ORDINANCE NO. 2019-XX**

**AN ORDINANCE APPROVING AN AMENDMENT TO
THE CITY OF WHARTON, TEXAS, BUDGET FOR
THE 2019-2020 FISCAL YEAR.**

WHEREAS, The City Council of the City of Wharton, Texas finds and determines it necessary to revise the 2019-2020 budget to better reflect actual revenues and expenditures in operations and activities during the fiscal year; and,

WHEREAS, The City Council finds and determines that these adjustments to the budget are for municipal purposes.

NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Wharton, Texas that the 2019-2020 Budget be amended as per Attachment "A;" and is adopted by the following favorable majority of votes of the members of the City Council of the City of Wharton, Texas in a duly assembled city council meeting by the following majority:

- | | | | |
|------------------------------|-------|------------------------------|-------|
| Clifford Jackson | Voted | Steven Schneider | Voted |
| Councilmember District No. 1 | | Councilmember District No. 2 | |
| Terry Freese | Voted | Donald Mueller | Voted |
| Councilmember District No. 3 | | Councilmember District No.4 | |
| Russell Machann | Voted | Alice Heard- Roberts | Voted |
| Councilmember at Large No. 5 | | Councilmember at Large No. 6 | |
| Tim Barker | Voted | | |
| Mayor | | | |

Separability

If any court of competent jurisdiction rules that any section, subsection, sentence, clause, or portion of this ordinance is invalid or unconstitutional, any such portion shall be deemed to be a distinct and independent provision, and any such ruling shall not affect the validity of the remaining portions hereof.

Passage and Approval

PASSED AND APPROVED by the City Council of the City of Wharton, Texas, this 28th day of October 2019.

City of Wharton
Ordinance No. 2019-XX
Page 2 of 2

CITY OF WHARTON, TEXAS

By: _____
TIM BARKER
Mayor

ATTEST:

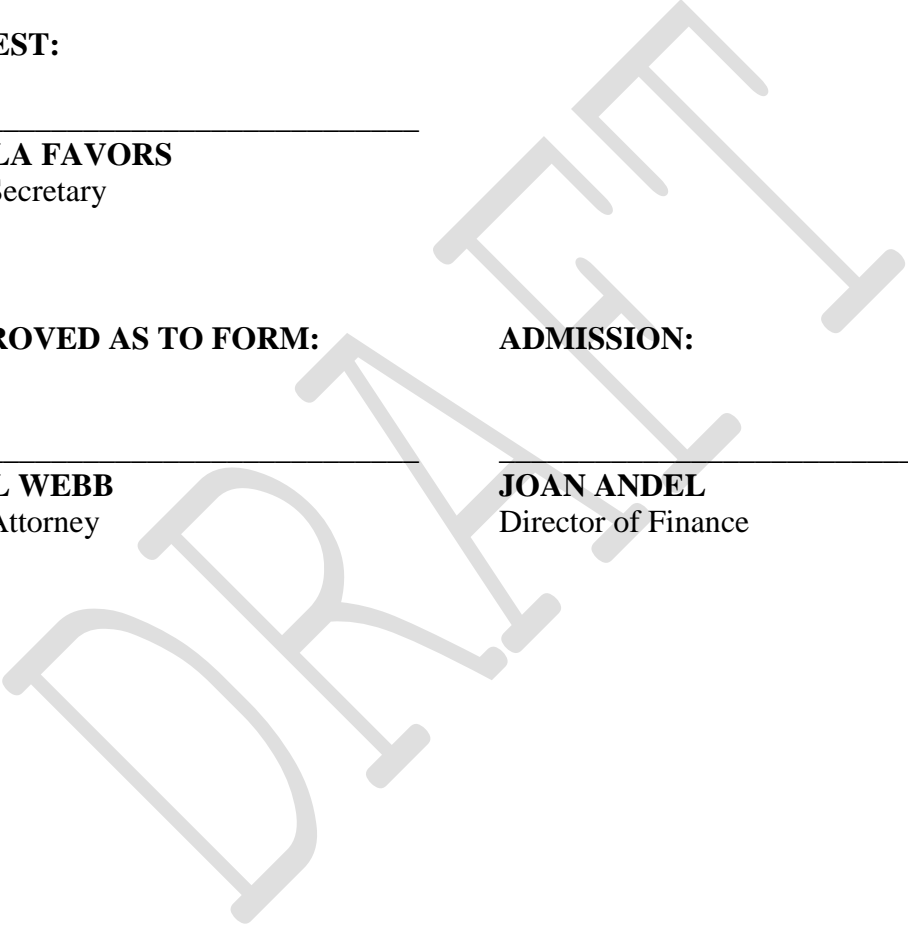
PAULA FAVORS
City Secretary

APPROVED AS TO FORM:

PAUL WEBB
City Attorney

ADMISSION:

JOAN ANDEL
Director of Finance




FINANCE COMMITTEE

Meeting Date:	10/28/2019	Agenda Item:	Resolution: A resolution of the Wharton City Council approving two - one year extensions with Harrison Waldrop & Uherek, LLP for auditing services for the City of Wharton and authorizing the Mayor of the City of Wharton to execute all documents related to agreements on behalf of the City of Wharton.
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On June 8th, 2015, the Wharton City Council approved an agreement for three years with two additional one year extension periods with Harrison Waldrop & Uherek, LLP for auditing services. The agreement is now eligible for its second one year extension of the agreement.

Attached is a draft resolution approving the agreement for two - one year extensions with Harrison Waldrop & Uherek, LLP. for auditing services for the City of Wharton.

The City Council Finance Committee will discuss the two - one year extension and formulate a recommendation to the City Council for the City's annual financial audit.

City Manager: Andres Garza, Jr.	Date: Thursday, October 24, 2019
Approval: 	
Mayor: Tim Barker	



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

Phone (979) 532-2491° Fax (979) 532-
0181

MEMORANDUM

To: Mr. Andres Garza, Jr.
City Manager

From: Joan Andel *JA*

Date: October 23, 2019

Re: Audit Services

On June 8, 2015 the City Council awarded a three year contract with two additional one-year extensions for auditing services to Harrison Waldrop & Uherek, LLP. Attached is a letter from Stephen Van Manen with Harrison Waldrop & Uherek LLP confirming the extensions of the contract for auditing services.

Please place this item on the Finance Committee meeting for October 28, 2019 for recommendation to the City Council.

Should you have any questions, please contact me.

Thank you.



CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA
DENNIS C. CIHAL, CPA
ERIC L. KUCERA, CPA
CLAYTON P. VAN PELT, CPA
ROBERT W. SCHAAR, CPA
MELISSA M. TERRY, CPA

(361) 573-3255
FAX: (361) 573-9531

July 9, 2015

The Honorable Mayor and
Members of the City Council
City of Wharton
Wharton, Texas 77488

We are pleased to confirm our understanding of the services we are to provide the City of Wharton, Texas (the "City") for the year ended September 30, 2015. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ended September 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule
3. Historical Pension Benefits Information

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

1. Combining and Individual Fund Statements and Schedules

The following other information accompanying the financial statements will not be subject to the auditing procedures applied in our audit of the financial statements, and our auditors' report will not provide an opinion or any assurance on that other information.

1. Introductory Section
2. Statistical Data

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the Mayor and members of the City Council. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by an error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the

appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about your responsibilities for the financial statements, compliance with laws, regulations, contracts, and grant agreements, and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Controls

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

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

Other Services

We will also assist in preparing the financial statements and related notes of the City in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the selection and application of accounting principles, for the fair presentation in the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provision of contracts and grant agreements.

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

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

With regard to using the auditors' report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

Also, with regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

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

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but 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 personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that 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. Furthermore, we will maintain responsible for the work provided by any such third-party service providers.

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

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

The audit documentation for this engagement is the property of Harrison, Waldrop & Uherek, L.L.P. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Harrison, Waldrop & Uherek, L.L.P. personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

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

We expect to begin our audit during the month of September 2015 and plan to issue our reports no later than March 2016. Mr. Stephen W. Van Manen, CPA is the engagement partner and is responsible for supervising the engagement and signing the report. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Based on our preliminary estimates, the fee should approximate \$25,950. This estimate is based on anticipated cooperation from your personnel, the availability of requested information, and the assumption that unexpected circumstances will not be encountered during the audit.

Fees for any additional services provided outside the scope of the audit of the City's basic financial statements will be billed based upon our standard hourly rates which range from \$80 to \$115 per hour. Any additional fees that may be requested must be approved by the City Council before any additional amounts will be billed.

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 2014 peer review report accompanies this letter.

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

Very truly yours,

Harrison, Waldrop & Uherek, LLP

HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

COPY

RESPONSE:

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

Mayor

By: 

Title: Mayor

Date: 9/9/15

City Manager

By: 

Title: City Manager

Date: 9/9/15

Paul W. FARRIS, CPA
DEBRA E. FARRIS, CPA

13434 Leopard St., #A-29-A
Corpus Christi, TX 78410
(361) 241-0656
Fax (361) 241-0658
farriscpa@aol.com

System Review Report

December 4, 2014

To the Partners

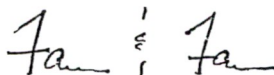
Harrison, Waldrop and Uherek LLP

and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Harrison, Waldrop and Uherek LLP (the firm) in effect for the year ended June 30, 2014. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included audits of employee benefit plans and engagements performed under the Government Auditing Standards.

In our opinion, the system of quality control for the accounting and auditing practice of Harrison, Waldrop and Uherek LLP in effect for the year ended June 30, 2014, 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. Harrison, Waldrop and Uherek LLP received a peer review rating of pass.



Farris & Farris, CPA's

HARRISON, WALDROP & UHEREK, L.L.P.

Agenda Item 3.

HWU

CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA
DENNIS C. CIHAL, CPA
ERIC L. KUCERA, CPA
CLAYTON P. VAN PELT, CPA
ROBERT W. SCHAAR, CPA
MELISSA M. TERRY, CPA

(361) 573-3255
FAX: (361) 573-9531

October 23, 2019

City of Wharton, Texas
Audit Committee
120 East Caney
Wharton, Texas 77488

To whom it may concern:

It is our pleasure to confirm the extension of our contract with the City to provide the independent auditing services for the fiscal years ending September 30, 2018 and 2019. We appreciate the work and look forward to continue working with you.

HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

Harrison, Waldrop & Uherek, LLP

Stephen W. Van Manen, CPA

**CITY OF WHARTON
RESOLUTION NO. 2019-XX**

A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING TWO ONE-YEAR EXTENSIONS WITH HARRISON, WALDROP & UHEREK LLP FOR AUDITING SERVICES FOR THE CITY OF WHARTON AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATED TO AGREEMENTS ON BEHALF OF THE CITY OF WHARTON.

WHEREAS, the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute an agreement with Harrison, Waldrop & Uherek, LLP to conduct the City of Wharton's Annual Financial Audit; and,

WHEREAS, the City of Wharton and Harrison, Waldrop & Uherek, LLP wishes to be bound by the conditions as set forth in the agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. That the Wharton City Council hereby authorizes the Mayor of the City of Wharton, Texas to execute an agreement with Harrison, Waldrop & Uherek, LLP to conduct the City of Wharton's Annual Financial Audit.

Section III. Harrison, Waldrop & Uherek, LLP and the City of Wharton are hereby bound by the conditions as set forth in the agreement.

Section IV. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 28th day of October 2019.

CITY OF WHARTON


By: _____
TIM BARKER
Mayor

ATTEST:

PAULA FAVORS
City Secretary

City of Wharton
 120 E. Caney Street
 Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	10/28/2019	Agenda Item:	Resolution: A resolution of the Wharton City Council authorizing the submission of applications to the Texas Department of Emergency Management under the Pre-Disaster Mitigation Grant Program on behalf of Wharton Independent School District and authorizing the Mayor of the City of Wharton to execute all documents relating to said applications.
<p>On September 30, 2019 FEMA announced the opening of the Pre-Disaster Mitigation Grant Program (PDM). The Wharton Independent School District has requested that the City apply for the Pre-Disaster Mitigation funds on their behalf for a cafeteria generator and flood mitigation at the Wharton High School.</p> <p>Attached is a letter from Superintendent Tina Herrington and a draft resolution.</p> <p>Community Development Director Gwyn Teves will be present to answer any question.</p>			
City Manager: Andres Garza, Jr.		Date: Thursday, October 24, 2019	
Approval: 			
Mayor: Tim Barker			



WHARTON INDEPENDENT SCHOOL DISTRICT
Office of the Superintendent, Tina Herrington
2100 N. Fulton • Wharton, Texas • 77488
979.532.3612

October 9, 2019

Mr. Tim Barker
Mayor
City of Wharton
120 E. Caney St.
Wharton, TX 77488

Dear Mayor Barker:

The Wharton Independent School District would like to request that we be allowed to apply for Pre-Disaster Mitigation (PDM-FY2019) grant applications to the Texas Department of Emergency Management (TDEM). Currently, there are two applications Wharton ISD would like for the City of Wharton to submit on behalf of Wharton ISD: a generator for the cafeteria and flood mitigation project at the Wharton High School renovation project.

The Wharton ISD appreciates our many partnerships and we look forward to collaborating on the use of these Pre-Disaster Mitigation funds through FEMA/TDEM. Please let me know if you have any questions or concerns.

Sincerely,

Tina Herrington
Superintendent

**CITY OF WHARTON
RESOLUTION NO. 2019-XX**

A RESOLUTION OF THE WHARTON CITY COUNCIL AUTHORIZING THE SUBMISSION OF APPLICATIONS TO THE TEXAS DEPARTMENT OF EMERGENCY MANAGEMENT UNDER THE PRE-DISASTER MITIGATION GRANT PROGRAM ON BEHALF OF WHARTON INDEPENDENT SCHOOL DISTRICT AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS RELATING TO SAID APPLICATIONS.

WHEREAS, On September 30th, 2019 FEMA announced the opening of the Pre-Disaster Mitigation Grant Program (PDM); and,

WHEREAS, The Wharton Independent School District has requested the City apply for the Pre-Disaster Mitigation funds on their behalf for a cafeteria generator and flood mitigation at the Wharton High School; and,

WHEREAS, The City of Wharton City Staff requests to issue applications on behalf of Wharton Independent School District for the Pre-Disaster Mitigation Program and is seeking City Council permission for the submission of the applications; and,

WHEREAS, The Wharton City Council wishes to authorize the City Staff submit the applications on behalf of Wharton Independent School District.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS;

Section I: That the Wharton City Council hereby approves the City Staff to submit applications under the Texas Department of Emergency Management Pre-Disaster Mitigation Grant Program on behalf of Wharton Independent School District.

Section II: The Wharton City Council hereby authorizes the Mayor to execute all documents relating to the applications.

Section III: That this resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 28th day of October 2019.

CITY OF WHARTON, TEXAS

By: _____
TIM BARKER
Mayor

ATTEST:

PAULA FAVORS
City Secretary