

**Cumby City Council  
Regular Meeting Agenda  
Tuesday, November 12th, 2019  
City Hall – 100 East Main Street, Cumby, Texas  
6:30 p.m.**

- I. Call to Order**
- II. Establish quorum**
- III. Invocation**
- IV. Pledge of Allegiance**
- V. Reports**
  - A. Police Department**
  - B. Maintenance Department**
  - C. Fire Department**
- VI. Consent Agenda**
  - A. Approve minutes of October 8<sup>th</sup>, 2019 Regular Agenda**
  - B. Approve minutes of October 22<sup>nd</sup>, 2019 Special Session**
  - C. Approve September 2019 and October 2019 Financials.**

**VII. Announcements**

*Announcements are provided on each agenda so that City Staff, Mayor, Council Members and members of the public may make announcements concerning matters of public recognition or upcoming events of local and regional significance; to advise the public of opportunities for service, recognition or recreation within our community; and to provide community charitable, civic, and philanthropic organizations the chance to broaden their appeal by the timely publication of details of their programs and activities. To utilize this opportunity, members of the public may contact the Mayor, City Secretary or City Council Members with details of their events, or may appear at City Council Meetings and make their own announcements. "Announcements" shall be limited to the recitation of facts about the subject events, congratulatory or approbative statements concerning service to the City or the community, and invitations to participation at various events. No deliberations concerning the details of upcoming events shall be conducted*

**VIII. Presentation by Citizens (Please Limit To 2 Minutes)**

*(At this time we would like to listen to any member of the audience on any subject matter, whether or not that item is on the agenda. All comments are limited to a maximum of two (2) minutes for each speaker. Speakers making personal, unfounded, profane or slanderous remarks may be removed from the room. In accordance with the Open Meetings Act, the Mayor and Aldermen are restricted from discussing or taking action on any items not listed on the agenda. Action can only be taken at a future meeting. When your name is called, please come to the front and state your name and address clearly before making your comments. Thank you for your cooperation).*

- X. Old Business**
  - A. Discussion of City of Cumby Employee Manual.**

- B. Discuss and consider possible action approving company to start the 2018-2019 financial audits.
- C. Discuss and consider possible action on Park Ordinance.

XI. New Business

- A. Discuss and consider possible action ordering 3 tesla meters per month to replace direct read meters.
- B. Discuss Forensic Audit
- C. Discuss and consider approval of Ordinance 2019-11-01 declaring Sulphur Spring News Telegram as The City of Cumby's official newspaper.
- D. Discuss and Consider Possible action on replat of 309 Depot Street.
- E. Discuss and Consider Possible action on policy for annexation.
- F. Discuss and Consider Possible action on activities for Christmas.
- G. Discuss water system and possible reworking our extension
- H. Discuss and Consider Possible action on demolishing 216 Tarrant Street.
- I. Discuss and Consider Possible action on approving estimates to repair Well 3.
- J. Discuss and Consider Possible action approving policy for House Bill 2840.

XIV. Adjournment

*If during the course of the meeting, any discussion of any item on the agenda should be held in closed session, the Council will convene in such executive or closed session in accordance with the following: 1) VTCA Government Code 551.071 - Consultations with legal counsel concerning pending or threatened litigation or matters where counsel's duty to the City conflicts with the Open Meetings Act; 2) VTCA Government Code 551.072 - Deliberations regarding the purchase, sale, lease or exchange of real property; 3) VTCA Government Code 551.073 - Deliberations regarding prospective gifts or donations; 4) VTCA Government Code 551.074 - Deliberations regarding personnel of the City; 5) VTCA Government Code 551.076 - Deliberations regarding the deployment of security devices or the implementation of security policy; and VTCA Government Code 551.087 - Deliberations regarding Economic Development negotiations.*

CERTIFICATION

I, Codi Reynolds, City Secretary for City of Cumby, hereby certify that the above notice of meeting and agenda was posted on the Public Notice Board at Cumby City Hall, 100 East Main Street, Cumby, Texas on November 8, 2019 at 4:00 p.m.



*Codi Reynolds*  
Codi Reynolds, City Secretary

# Maintenance Report

For the month of October, the maintenance department:

Completed a total of 20 work orders,

Serviced 4 meters

Fixed the stop sign at the corner of Denton and Mill Street

And put new street signs up at the corner of Austin Street and Frisco Street and at the corner of Austin Street and Odom Street.

MONTH	CITY	COUNTY	ACREAGE	GRASS FIRE	CAR FIRE	STRUCTURE FIRE	MEDICAL	MVA
JAN	4	17	0	2	1	1	5	12
FEB	2	7	0	0	1	1	2	4
MAR	5	12	0	0	0	0	8	6
APR	4	14	0	0	2	1	8	6
MAY	4	15	0	0	2	1	6	9
JUN	0	7	0.2	1	0	1	1	2
JULY	4	8	0	1	2	1	6	2
AUG	3	17	0	5	1	2	9	2
SEPT	2	7	0	0	0	0	4	2
OCT	4	13	0.1	4	1	3	4	3

INVESTIGATION / STAND BY	WATER USAGE	MAN/HOURS
0	0	39.05
0	1000	26.77
4	0	12.67
1	0	31.10
1	250	33.95
2	0	7.88
0	0	12.13
1	920	54.75
3	0	12.63
5	650	34.73

Regular Meeting Minutes of the City Council of the City of Cumby

Tuesday, October 8, 2019

Cumby City Hall

PRESENT:

Doug Simmerman          Monty Lackey

Betty McCarter      Julie Morris

- I. Mayor Pro Tem Doug Simmerman called the meeting to order at 6:30p.m.
- II. Invocation and Pledge of Allegiance

Invocation was led by Monty Lackey and the pledge was recited by the mayor, Council, and Citizens in attendance.

- III. Announcements

The fire department will be holding their annual motorcycle ride on Saturday October 12<sup>th</sup>, 2019.

Julie Morris read a letter sent in by a resident of Cumby recognizing the water department for their hard work installing and setting up a new meter for him.

- IV. Citizens addressed the council.

- V. Reports

- A. Zack Steward submitted the Police Department report.
- B. David Weatherbee submitted the Fire Department report.
- C. Mayor Pro Tem Doug Simmerman submitted the Maintenance report.

- VI. Consent Agenda

A.) Approve minutes of September 3<sup>rd</sup>, 2019 Public Hearing

Betty McCarter motioned to approve the minutes and Monty Lackey seconded the motion. The motion passed 3-0

B.) Approve minutes of September 10<sup>th</sup>, 2019 regular Meeting

Julie Morris motioned to approve the minutes and Betty McCarter seconded the motion. The motion passed 3-0.

C.) Approve minutes of September 21<sup>st</sup>, 2019 special session

Julie Morris motioned to approve the minutes and Monty Lackey seconded the motion. The motion passed 3-0.

- VII. Old Business

A. Discussion of City of Cumby Manual

Monty Lackey is still reading over it. There are some changes that need to be made.  
No action was taken.

VIII. New Business

- A. Presentation by Ben Jarrett with RG3 meter company. Mr. Jarrett addressed the council and citizens in attendance with a PowerPoint presentation detailing the audits of the meter system since 2015.
- B. Mayor Pro Tem Doug Simmerman read the letter of resignation of Alderman Place 2 submitted by Audri Mayo.
- C. Monty Lackey motioned to approve the resolution ordering a special election to be held on May 2, 2020, for the purpose of filling the vacancy of Alderman Place 2 on City council for the remainder of the current term ending in November 2020. Betty McCarter seconded the motion. The motion passed 3-0.
- D. Discussion of Chris Turner starting the audit for fiscal year 2018-2019. The council will get quotes to ensure the most cost effective route is taken for the audit.
- E. The Council discussed the park ordinance 2019-10-001. The council will read over the ordinance. Keeping the park nice is the goal of the City. City Attorney suggests tailoring the ordinance to fit the needs of the City. The City wants to encourage use of the park. Citizens in attendance think that a deposit of 250.00\$ is steep. There were also concerns about the verbiage of the ordinance and it including reserving the whole park instead of the pavilion. The council will revisit the ordinance after reviewing and revising. No action was taken at this time.
- F. The council held a Public hearing to consider the annexation of property owned by Texas Ranchitos, LLC. The City Attorney has been working with the attorney for Texas Ranchitos, LLC in regards to the annexation process. If out of the city limits and are receiving city amenities than annexation should be requested by owner. The City can't make them annex in to the city limits. Texas Ranchitos, LLC indicated interest in annexation. If he has sold any of the lots then the owner would have to request annexation. When City attorney asked if any had been sold he was told no. The council can adopt a policy stating that annexation is required for city services. City Attorney will draw up the policy to be discussed at the November regular meeting.

IX. Entered into Executive Session

The City Council of the City of Cumby entered into Executive Session (Closed Meeting) at 8:37 p.m. pursuant to the provisions of Chapter 551, Subchapter D, and Texas Government Code, to discuss the following:

- A. Discuss litigation – Regarding substandard buildings
- B. Discuss Development

X. Exited Executive Session

The City Council of the City of Cumby reconvened into Regular Session (Open Meeting) at 9:12 p.m. pursuant to the provisions of Chapter 551, Subchapter D, and Texas Government Code, to discuss the following:

- A. Discussed litigation regarding substandard buildings. No action was taken
- B. Discussed Development. No action was taken

XI. Mayor Pro Tem adjourned the meeting at 9:03 p.m.

Approve:

\_\_\_\_\_  
Doug Simmerman, Mayor Pro Tem

Attest:

\_\_\_\_\_  
Codi Reynolds, City Secretary

Special Meeting Minutes of the City Council of the City of Cumby

Tuesday, October 22<sup>nd</sup>, 2019

Cumby City Hall

PRESENT:

Doug Simmerman      Monty Lackey      Betty McCarter      Julie Morris

- I. Mayor Pro Tem Doug Simmerman called the meeting to order at 6:00 p.m.
- II. Establish Quorum
- III. Invocation – Led by Monty Lackey
- IV. Pledge of Allegiance – Recited by mayor, council, and citizens in attendance
- V. Discuss and Consider possible action on Texas Tank Services Water Tower Annual Maintenance Contract. Mayor Pro Tem stated that there is maintenance needed of our tanks. He had called for a quote to repair the 100G ground tank. Doug Simmerman spoke with our rep Ashley Kemp to get an explanation of the cost for repairs. This contract spans 5 years and would begin repairs with the 100G ground tank. The first repair is recoating the tank and cleaning the floor plates and wall plates. It will take 6 to 8 weeks. It will require 10,996.50 down and 10,996.50 due upon completion. Starting in January there will be a payment due every 8 weeks in the amount of 3665.50. Year 2 and 3 the monthly payment is 2832.17. Year 4 the monthly payment is 2382.17. Year 5 the monthly payment is 1994.84. Over the 5 year span they will maintain and inspect each tank annually as well as all recommendations they had for each of our tanks during the 2019 inspection. By agreeing to this contract we would be able to complete a TCEQ violation as well as fix all potential violations. Texas Tank Service does all repairs and maintenance in compliance with TCEQ regulations. Julie Morris stated this will save money over the long run. Betty McCarter stated we don't want to be fined by TCEQ for any violations. Monty Lackey feels this is really a no brainer. The City of Cumby wants to be proactive and stay in good standing with TCEQ. Alex Laird has been great with helping us. Going into contract will mean only Texas Tank Services is able to work on our tanks however we won't need anyone else because the contract covers everything needed to maintain all 3 tanks. Monty Lackey motioned to approve the contract with Texas Tank Services. Julie Morris seconded the motion. The motion passed 3-0.
- VI. Mayor Pro Tem adjourned the meeting at 6:13 p.m.

Approve:

Attest:

\_\_\_\_\_  
Doug Simmerman, Mayor Pro Tem

\_\_\_\_\_  
Codi Reynolds, City Secretary

City of Cumby  
Balance Sheet  
As of September 30, 2019

Sep 30, 19

ASSETS	
Current Assets	
Checking/Savings	
General Bank Accounts	
Arson	-403.21
General Operating	-1,809.27
Municipal Court Security	2,039.61
Municipal Court State Fees	9,794.49
Municipal Court Technology	1,161.65
Parks & Recreation	1,041.89
Police Training	126.85
Seizure	287.90
General Bank Accounts - Other	-454.39
Total General Bank Accounts	12,591.94
Utility Bank Accounts	
Water & Sewer	115.74
Street Maintenance	848.25
Water Deposit Account	1,821.46
Obligation	8,472.18
Total Utility Bank Accounts	11,257.63
Total Checking/Savings	23,849.57

City of Cumby  
**Profit & Loss**  
 September 2019

	Sep 19
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Subdivision Fees - PD	401.82
<b>Fines</b>	
Service Fee Collected	977.96
Fines - Other	21,928.96
<b>Total Fines</b>	22,906.92
Interest Earned	1.72
Permits/Registrations	50.00
<b>Tax &amp; Franchise Fees</b>	
Property Reduction Sales Tax	1,543.11
Property Tax	2,155.00
Sales Tax	6,172.46
Street Sales Tax	1,543.11
<b>Total Tax &amp; Franchise Fees</b>	11,413.68
<b>Water - Sewer</b>	
Water - Sewer Adjustments	-200.00
Garbage Revenue	4,447.60
Late Fee	365.72
Sales Tax Collected	356.92
Service Fee Collected	432.12
Sewer Revenue	7,068.45
Tap fee	2,000.00
Water Revenue	16,788.19
<b>Total Water - Sewer</b>	31,259.00
Water Deposit	0.00
<b>Total Income</b>	66,033.14
<b>Expense</b>	
<b>Administration</b>	
Office Expense	194.84
Election	1,547.03
Mayor/Council Monthly Fee	350.00
Membership	155.00
Postage	375.65
Telephone	653.97
Utilities	11,908.02
<b>Total Administration</b>	15,184.51
<b>Municipal Court</b>	
Collection Service Fee	1,352.08
Office Expense	89.97
Security	320.00
Technology	580.00
<b>Total Municipal Court</b>	2,342.05
Payroll Expenses	37,470.04
<b>Public Safety</b>	
Police Department	
K-9	57.00
Auto Repair & Maintenance	153.51
Fuel	1,179.00
Telephone	189.95
<b>Total Police Department</b>	1,579.46
<b>Total Public Safety</b>	1,579.46

City of Cumby  
Profit & Loss  
September 2019

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	Sep 19
Seizure Expenditure	-50.00
Water Deposit Refund	178.67
Water/Sewer	
Automobile Repairs	96.72
Chemicals	42.30
Deposit Refund	200.00
Equipment Repairs	698.12
Lab Fees	176.31
Maintenance	4,563.84
Office Supplies	174.50
Operating Supplies	97.37
Postage	154.00
Software	953.00
Testing	110.00
Utilities	45.00
Total Water/Sewer	7,311.16
Total Expense	64,015.89
Net Ordinary Income	2,017.25
Net Income	2,017.25

City of Cumby  
Profit & Loss Budget vs. Actual  
October 2018 through September 2019

	Oct '18 - Sep 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Uncategorized Income	0.00			
Subdivision Fees - PD	1,803.89			
Bank Service	0.00	24.00	-24.00	0.0%
Park Funds	1,000.00	850.00	150.00	117.6%
Credit Card Reward Points	0.00	600.00	-600.00	0.0%
Scholarship	0.00	0.00	0.00	0.0%
Accumulated Funds	0.00	75,298.01	-75,298.01	0.0%
Copies & Faxes	0.00	143.25	-143.25	0.0%
<b>Fines</b>				
Service Fee Collected	10,793.16	11,496.53	-703.37	93.9%
Fines - Other	381,841.17	449,832.66	-67,991.49	84.9%
<b>Total Fines</b>	<b>392,634.33</b>	<b>461,329.19</b>	<b>-68,694.86</b>	<b>85.1%</b>
Insurance	0.00	17,898.57	-17,898.57	0.0%
Interest Earned	35.29	83.06	-47.77	42.5%
<b>Permits/Registrations</b>				
service fee collected	100.15			
Permits/Registrations - Other	1,050.00	450.00	600.00	233.3%
<b>Total Permits/Registrations</b>	<b>1,150.15</b>	<b>450.00</b>	<b>700.15</b>	<b>255.6%</b>
<b>Public Safety Department</b>				
Accident Report	34.00	109.00	-75.00	31.2%
Training	0.00	917.59	-917.59	0.0%
<b>Total Public Safety Department</b>	<b>34.00</b>	<b>1,026.59</b>	<b>-992.59</b>	<b>3.3%</b>
Road Paving Material	0.00	120.00	-120.00	0.0%
Seizure Funds	0.00	10,569.00	-10,569.00	0.0%
<b>Tax &amp; Franchise Fees</b>				
Franchise	47,908.76	30,049.31	17,859.45	159.4%
Property Reduction Sales Tax	13,684.97	18,670.32	-4,985.35	73.3%
Property Tax	86,709.96	76,069.14	10,640.82	114.0%
Sales Tax	62,502.06	74,685.49	-12,183.43	83.7%
Street Sales Tax	13,684.97	18,670.32	-4,985.35	73.3%
<b>Total Tax &amp; Franchise Fees</b>	<b>224,490.72</b>	<b>218,144.58</b>	<b>6,346.14</b>	<b>102.9%</b>
<b>Water - Sewer</b>				
Disconnect fee	35.00			
Water - Sewer Adjustments	-15,750.61			
Bag Sales	0.00	730.46	-730.46	0.0%
Garbage Revenue	57,672.05	55,306.74	2,365.31	104.3%
Late Fee	6,131.44	14,846.70	-8,715.26	41.3%
NSF Fee	-155.84			
Reconnect Fee	348.00	4,182.89	-3,834.89	8.3%
Sales Tax Collected	5,165.02	4,615.93	549.09	111.9%
Service Fee Collected	1,984.29	3,387.46	-1,403.17	58.3%
Sewer Revenue	86,988.87	88,830.32	-1,861.45	97.9%
Tap fee	2,000.00	1,750.00	250.00	114.3%
<b>Water Revenue</b>				
Bulk Water	9,705.70	470.00	9,235.70	2,065.0%
Water Deposits Applied	-100.00	-3,939.27	3,839.27	2.5%
Water Revenue - Other	165,732.95	183,874.69	-18,141.74	90.1%
<b>Total Water Revenue</b>	<b>175,338.65</b>	<b>180,405.42</b>	<b>-5,066.77</b>	<b>97.2%</b>
<b>Water - Sewer - Other</b>	<b>28,347.54</b>	<b>35.00</b>	<b>26,312.54</b>	<b>75,278.7%</b>
<b>Total Water - Sewer</b>	<b>346,065.41</b>	<b>354,070.92</b>	<b>-8,005.51</b>	<b>97.7%</b>
Water Deposit	4,251.23	6,843.84	-2,592.61	62.1%
<b>Total Income</b>	<b>971,465.02</b>	<b>1,147,451.01</b>	<b>-175,985.99</b>	<b>84.7%</b>
<b>Expense</b>				
void	7.00			
Weekend On-Call Duty	220.00			
Contengency/Bank Rec	14,947.29			
<b>Administration</b>				
Reimbursement for Travel/Gas	1,815.36			
Office Expense	4,267.34	516.50	3,750.84	826.2%
Advertising	1,553.82	61.88	1,491.94	2,511.0%
Alarm	328.75			
Bonus	3,000.00	4,000.00	-1,000.00	75.0%
Election	3,082.11	7,658.01	-4,585.90	40.0%
Insurance	28,684.00	29,927.00	-1,243.00	95.8%
Legal Fees	8,687.50	1,800.00	6,887.50	482.6%
Maintenance	7,406.13	658.17	6,747.96	1,125.3%
Mayor/Council Monthly Fee	5,250.00	4,200.00	1,050.00	125.0%
Membership	857.00	563.00	294.00	152.2%
Office Supplies	615.98	1,123.01	-507.03	54.9%
Postage	3,384.58	485.67	2,898.91	696.9%
Professional Fees	7,782.00	9,309.29	-1,527.29	83.6%
Property Tax Fees	4,535.87	1,182.64	3,353.23	383.5%
Public Notice	2,693.05			
Software	1,025.98	672.75	353.23	152.5%
Subscription	1,541.41			

City of Cumby  
Profit & Loss Budget vs. Actual

Accrual Basis

October 2018 through September 2019

	Oct '18 - Sep 19	Budget	\$ Over Budget	% of Budget
Technology	998.04	1,209.98	-211.94	82.5%
Telephone	5,214.19	2,005.95	3,208.24	259.9%
Training	100.00			
Utilities	39,021.84	7,504.42	31,517.42	520.0%
Administration - Other	0.00			
<b>Total Administration</b>	<b>131,824.95</b>	<b>72,878.27</b>	<b>58,946.68</b>	<b>180.9%</b>
Construction In Progress	730.65			
Debt Service				
Payment Processing Center	11,502.32	6,199.44	5,302.88	185.5%
De Lage Lange	0.00	2,370.00	-2,370.00	0.0%
Firetruck Lease	0.00	18,954.79	-18,954.79	0.0%
Loan # 1820645	5,038.14	10,409.58	-5,371.42	48.4%
TWDB Bond	46,957.00	48,173.25	-1,216.25	97.5%
<b>Total Debt Service</b>	<b>63,497.46</b>	<b>86,107.04</b>	<b>-22,609.58</b>	<b>73.7%</b>
Miscellaneous Expense	0.00			
Municipal Court				
Clerk	10,007.00	13,098.00	-3,091.00	76.4%
Alarm	556.25	1,882.50	-1,326.25	29.5%
Collection Service Fee	2,526.97	9,823.40	-7,296.43	25.7%
Convience Fee	916.58	1,863.76	-947.20	49.2%
Judge	4,000.00	6,000.00	-2,000.00	66.7%
Legal Fees	9,737.50	16,850.00	-7,112.50	57.8%
Office Expense	5,744.51	1,780.28	3,964.23	322.7%
Postage	71.75	676.35	-604.60	10.6%
Report Fee	1,530.35	1,878.00	-347.65	81.5%
Seat Belt Fee	2,533.95			
Security	2,622.24	4,091.02	-1,468.78	64.1%
Software Update	0.00	123.75	-123.75	0.0%
State Fees	136,303.66	147,441.58	-11,137.92	92.4%
Technology	3,430.00	18,069.59	-14,639.59	19.0%
Telephone	865.34	2,064.27	-1,198.93	41.9%
Travel & Training	0.00	467.56	-467.56	0.0%
Utilities	8,742.42	7,239.21	1,503.21	120.8%
Municipal Court - Other	-690.87			
<b>Total Municipal Court</b>	<b>188,897.63</b>	<b>233,349.27</b>	<b>-44,451.64</b>	<b>81.0%</b>
Park Improvements				
Back To School	0.00	150.00	-150.00	0.0%
BJG Day	0.00	2,230.50	-2,230.50	0.0%
Equipment	0.00	3,237.82	-3,237.82	0.0%
Maintenance	0.00	3,592.93	-3,592.93	0.0%
Supplies	0.00	4.99	-4.99	0.0%
Park Improvements - Other	0.00	-2,014.00	2,014.00	0.0%
<b>Total Park Improvements</b>	<b>0.00</b>	<b>7,202.24</b>	<b>-7,202.24</b>	<b>0.0%</b>
Payroll Expenses				
Medical Reimbursement - Non-Tax	800.00			
Insurance Assistance	4,101.92			
PENSION EXPENSE	9,445.08			
Child Support	1,275.72	2,976.89	-1,701.17	42.9%
Payroll Expenses - Other	520,098.24	427,360.35	92,737.89	121.7%
<b>Total Payroll Expenses</b>	<b>535,720.96</b>	<b>430,337.24</b>	<b>105,383.72</b>	<b>124.5%</b>
Permits	0.00	-200.00	200.00	0.0%
Public Safety				
Education	0.00	537.37	-537.37	0.0%
Police Department				
K-9	797.65	70.43	727.22	1,132.5%
Legal Fees	0.00	400.00	-400.00	0.0%
Auto Repair & Maintenance	15,740.14	13,346.73	2,393.41	117.9%
Equipment	755.00	5,736.89	-4,981.89	13.2%
Equipment Repairs	830.32	2,150.65	-1,320.33	38.6%
Fuel	31,366.18	27,479.54	3,906.64	114.2%
Investigation	0.00	0.00	0.00	0.0%
License & Support	215.00	180.00	35.00	119.4%
Maintenance	2,000.00			
Office Supplies	595.18	2,053.03	-1,457.85	29.0%
Telephone	302.54	4,344.47	-4,041.93	7.0%
Testing Supplies	1,139.61	280.00	859.61	407.0%
Training	65.00	2,645.25	-2,580.25	2.5%
Uniforms	1,335.58	1,823.10	-487.52	73.3%
Utilities	50.85	7,567.91	-7,517.06	0.7%
Police Department - Other	17.94			
<b>Total Police Department</b>	<b>55,230.99</b>	<b>68,078.00</b>	<b>-12,847.01</b>	<b>81.1%</b>
<b>Total Public Safety</b>	<b>55,230.99</b>	<b>68,615.37</b>	<b>-13,384.38</b>	<b>80.5%</b>
Public Works				
Equipment Repair	127.39	120.00	7.39	106.2%
Debris Cleanup	460.00	1,872.90	-1,412.90	24.6%
Lights	0.00	3,439.43	-3,439.43	0.0%
Mosquito Control	1,260.00	2,490.81	-1,230.81	50.6%
Mowing	4,500.00			

City of Cumby  
Profit & Loss Budget vs. Actual

October 2018 through September 2019

	Oct '18 - Sep 19	Budget	\$ Over Budget	% of Budget
Street Repair	1,656.93	5,624.91	-3,967.98	29.5%
<b>Total Public Works</b>	<b>8,004.32</b>	<b>13,548.05</b>	<b>-5,543.73</b>	<b>59.1%</b>
Seizure Expenditure				
Equipment	3,348.73			
Software	4,131.50			
K-9	814.43			
K-9 Assistance	125.00			
Auto	17,574.25			
Seizure Expenditure - Other	16.37	14,572.22	-14,555.85	0.1%
<b>Total Seizure Expenditure</b>	<b>26,010.28</b>	<b>14,572.22</b>	<b>11,438.06</b>	<b>178.5%</b>
Training Expenditure	0.00	1,238.38	-1,238.38	0.0%
Water Deposit Refund	1,361.57	2,156.33	-794.76	63.1%
Water/Sewer				
Vehicle Purchase	6,845.21			
Automobile Repairs	4,148.50	906.79	3,241.71	457.5%
Building Maintenance	695.00	765.50	-70.50	90.8%
Chemicals	5,602.30	4,307.23	1,295.07	130.1%
Convenience Fee W/S	146.10	2,985.15	-2,839.05	4.9%
Deposit Refund	469.76			
Equipment Repairs	12,031.29	29,374.90	-17,343.61	41.0%
Garbage Collection Fee	49,588.01	45,234.14	4,353.87	109.6%
Lab Fees	1,117.47	207.70	909.77	538.0%
Land Acquisition	250.00			
Legal Fee	9,661.81			
Legal Fees	6,936.00	1,950.00	4,986.00	355.7%
Maintenance	123,622.10	85,874.91	37,747.19	144.0%
Office Supplies	627.85	1,458.52	-830.67	43.0%
Operating Supplies	1,987.41	3,994.76	-2,007.35	49.8%
Permit	4,742.00	2,580.35	2,161.65	183.1%
Postage	631.68	1,844.18	-1,312.50	32.5%
Sales Tax Paid	2,405.97	4,738.36	-2,330.39	50.8%
Seminars/Training	111.00	867.50	-856.50	11.5%
Software	953.00	2,035.75	-1,082.75	46.8%
Telephone	-206.54	2,107.88	-2,314.42	-9.8%
Testing	2,235.00	4,544.11	-2,309.11	49.2%
Tools & Equipment	894.05			
Uniforms	577.31	1,382.75	-805.44	41.8%
Utilities	16,565.67	21,112.45	-4,546.78	78.5%
<b>Total Water/Sewer</b>	<b>252,637.95</b>	<b>218,480.93</b>	<b>34,157.02</b>	<b>115.6%</b>
<b>Total Expense</b>	<b>1,279,091.05</b>	<b>1,148,285.34</b>	<b>130,805.71</b>	<b>111.4%</b>
Net Ordinary Income	-307,626.03	-834.33	-306,791.70	36,871.0%
Other Income/Expense				
Other Income				
Transfer In	46,038.37			
back flow prevention	1,900.00			
<b>Total Other Income</b>	<b>47,938.37</b>			
Other Expense				
Transfers	45,609.06			
<b>Total Other Expense</b>	<b>45,609.06</b>			
Net Other Income	2,329.31			
<b>Net Income</b>	<b>-305,296.72</b>	<b>-834.33</b>	<b>-304,462.39</b>	<b>36,591.8%</b>

10:11 AM  
11/05/19  
Accrual Basis

City of Cumby  
Balance Sheet  
As of October 31, 2019

	<u>Oct 31, 19</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
General Bank Accounts	
Arson	403.21
General Operating	5,960.84
Municipal Court Security	2,039.61
Municipal Court State Fees	1,593.64
Municipal Court Technology	306.65
Parks & Recreation	1,041.89
Police Training	126.85
Seizure	287.90
General Bank Accounts - Other	-454.39
Total General Bank Accounts	<u>11,306.20</u>
Utility Bank Accounts	
Water & Sewer	115.74
Street Maintenance	848.25
Water Deposit Account	1,821.46
Obligation	8,472.18
Total Utility Bank Accounts	<u>11,257.63</u>
Total Checking/Savings	<u>22,563.83</u>

City of Cumby  
**Profit & Loss**  
 October 2019

	Oct 19
Ordinary Income/Expense	
Income	
Subdivision Fees - PD	240.00
Accumulated Funds	23,849.57
Fines	
Service Fee Collected	1,403.99
Fines - Other	40,899.85
Total Fines	42,303.84
Interest Earned	0.83
Misc Revenues - Utility	166.81
Property Sale	1,400.00
Tax & Franchise Fees	
Franchise	5,831.58
Property Reduction Sales Tax	1,364.46
Property Tax	16,160.40
Sales Tax	5,457.86
Street Sales Tax	1,364.46
Tax & Franchise Fees - Other	747.22
Total Tax & Franchise Fees	30,925.98
Water - Sewer	
Water - Sewer Adjustments	-582.75
Garbage Revenue	5,618.54
Late Fee	253.16
Reconnect Fee	70.00
Sales Tax Collected	446.27
Service Fee Collected	433.83
Sewer Revenue	8,189.50
Tap fee	2,100.06
Water Revenue	
Water Deposits Applied	250.00
Water Revenue - Other	20,318.86
Total Water Revenue	20,568.86
Total Water - Sewer	37,097.47
Water Deposit	425.00
Total Income	136,409.50
Expense	
Administration	
Insurance	7,069.25
Maintenance	54.50
Mayor/Council Monthly Fee	350.00
Membership	155.00
Office Supplies	242.44
Technology	90.00
Telephone	-445.97
Utilities	146.74
Total Administration	7,661.96
Municipal Court	
Collection Service Fee	1,252.58
Report Fee	288.00
Security	209.95
State Fees	31,881.59
Telephone	17.65
Total Municipal Court	33,649.77
Payroll Expenses	43,239.00
Public Safety	

City of Cumby  
Profit & Loss  
October 2019

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	Oct 19
Police Department	
Auto Repair & Maintenance	251.04
Fuel	2,382.20
Telephone	255.14
Utilities	5,088.25
	<hr/>
Total Police Department	7,976.63
Total Public Safety	7,976.63
Public Works	
Street Signs	237.38
	<hr/>
Total Public Works	237.38
Water/Sewer	
Automobile Repairs	75.00
Chemicals	903.98
Maintenance	2,000.00
Operating Supplies	500.00
Permit	1,250.00
Postage	208.65
Sales Tax Paid	1,313.40
Telephone	200.21
Utilities	20.00
	<hr/>
Total Water/Sewer	6,471.24
Total Expense	99,235.98
	<hr/>
Net Ordinary Income	37,173.52
	<hr/>
Net Income	37,173.52

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City of Cumby  
Profit & Loss Budget vs. Actual

October 2019

	Oct 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Subdivision Fees - PD	240.00			
Bank Service	0.00	0.00	0.00	0.0%
Park Funds	0.00	0.00	0.00	0.0%
Credit Card Reward Points	0.00	0.00	0.00	0.0%
Scholarship	0.00	0.00	0.00	0.0%
Accumulated Funds	23,849.57	23,849.57	0.00	100.0%
Copies & Faxes	0.00	0.00	0.00	0.0%
<b>Fines</b>				
Service Fee Collected	1,403.99	0.00	1,403.99	100.0%
Fines - Other	40,899.85	425,000.00	-384,100.15	9.6%
<b>Total Fines</b>	<b>42,303.84</b>	<b>425,000.00</b>	<b>-382,696.16</b>	<b>10.0%</b>
Insurance	0.00	0.00	0.00	0.0%
Interest Earned	0.83	25.00	-24.17	3.3%
License & Permits	0.00	1,000.00	-1,000.00	0.0%
Misc Revenues - Utility	166.81			
Permits/Registrations	0.00	0.00	0.00	0.0%
Property Sale	1,400.00			
<b>Public Safety Department</b>				
Accident Report	0.00	0.00	0.00	0.0%
Training	0.00	0.00	0.00	0.0%
<b>Total Public Safety Department</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
Road Paving Material	0.00	0.00	0.00	0.0%
Seizure Funds	0.00	0.00	0.00	0.0%
<b>Tax &amp; Franchise Fees</b>				
Franchise	5,831.58	0.00	5,831.58	100.0%
Property Reduction Sales Tax	1,364.46	0.00	1,364.46	100.0%
Property Tax	16,160.40	0.00	16,160.40	100.0%
Sales Tax	5,457.86	0.00	5,457.86	100.0%
Street Sales Tax	1,364.46	0.00	1,364.46	100.0%
Tax & Franchise Fees - Other	747.22	225,000.00	-224,252.78	0.3%
<b>Total Tax &amp; Franchise Fees</b>	<b>30,925.98</b>	<b>225,000.00</b>	<b>-194,074.02</b>	<b>13.7%</b>
<b>Water - Sewer</b>				
Water - Sewer Adjustments	-582.75			
Bag Sales	0.00	0.00	0.00	0.0%
Garbage Revenue	5,618.54	0.00	5,618.54	100.0%
Late Fee	253.16	0.00	253.16	100.0%
Reconnect Fee	70.00	0.00	70.00	100.0%
Sales Tax Collected	445.27	0.00	445.27	100.0%
Service Fee Collected	433.83	0.00	433.83	100.0%
Sewer Revenue	8,189.50	0.00	8,189.50	100.0%
Tap fee	2,100.06	0.00	2,100.06	100.0%
Water Revenue				
Bulk Water	0.00	0.00	0.00	0.0%
Water Deposits Applied	250.00	0.00	250.00	100.0%
Water Revenue - Other	20,318.86	0.00	20,318.86	100.0%
<b>Total Water Revenue</b>	<b>20,568.86</b>	<b>0.00</b>	<b>20,568.86</b>	<b>100.0%</b>
Water - Sewer - Other	0.00	380,000.00	-380,000.00	0.0%
<b>Total Water - Sewer</b>	<b>37,097.47</b>	<b>380,000.00</b>	<b>-342,902.53</b>	<b>9.8%</b>
Water Deposit	425.00	0.00	425.00	100.0%
<b>Total Income</b>	<b>136,409.50</b>	<b>1,054,874.57</b>	<b>-918,465.07</b>	<b>12.9%</b>
<b>Expense</b>				
<b>Administration</b>				
Office Expense	0.00	0.00	0.00	0.0%
Advertising	0.00	0.00	0.00	0.0%
Insurance	7,069.25	0.00	7,069.25	100.0%
Legal Fees	0.00	0.00	0.00	0.0%
Maintenance	54.50	0.00	54.50	100.0%
Mayor/Council Monthly Fee	350.00	0.00	350.00	100.0%
Membership	155.00	0.00	155.00	100.0%
Office Supplies	242.44	0.00	242.44	100.0%
Postage	0.00	0.00	0.00	0.0%
Professional Fees	0.00	0.00	0.00	0.0%
Software	0.00	0.00	0.00	0.0%
Technology	90.00	0.00	90.00	100.0%
Telephone	-445.97	0.00	-445.97	100.0%
Utilities	146.74	0.00	146.74	100.0%
Administration - Other	0.00	72,083.46	-72,083.46	0.0%
<b>Total Administration</b>	<b>7,661.96</b>	<b>72,083.46</b>	<b>-64,421.50</b>	<b>10.6%</b>
Arson Expenditure	0.00	403.21	-403.21	0.0%
<b>Debt Service</b>				
Payment Processing Center	0.00	0.00	0.00	0.0%
De Lage Lange	0.00	0.00	0.00	0.0%
Loan # 1820645	0.00	0.00	0.00	0.0%
TWDB Bond	0.00	0.00	0.00	0.0%

## City of Cumby Profit & Loss Budget vs. Actual

October 2019

	Oct 19	Budget	\$ Over Budget	% of Budget
Debt Service - Other	0.00	52,100.00	-52,100.00	0.0%
<b>Total Debt Service</b>	<b>0.00</b>	<b>52,100.00</b>	<b>-52,100.00</b>	<b>0.0%</b>
<b>Municipal Court</b>				
Clerk	0.00	0.00	0.00	0.0%
Alarm	0.00	0.00	0.00	0.0%
Collection Service Fee	1,252.58	0.00	1,252.58	100.0%
Convenience Fee	0.00	0.00	0.00	0.0%
Judge	0.00	0.00	0.00	0.0%
Legal Fees	0.00	0.00	0.00	0.0%
Office Expense	0.00	0.00	0.00	0.0%
Postage	0.00	0.00	0.00	0.0%
Report Fee	288.00	0.00	288.00	100.0%
Security	209.95	0.00	209.95	100.0%
Software Update	0.00	0.00	0.00	0.0%
State Fees	31,881.59	0.00	31,881.59	100.0%
Technology	0.00	0.00	0.00	0.0%
Telephone	17.65	0.00	17.65	100.0%
Utilities	0.00	0.00	0.00	0.0%
Municipal Court - Other	0.00	200,000.00	-200,000.00	0.0%
<b>Total Municipal Court</b>	<b>33,649.77</b>	<b>200,000.00</b>	<b>-166,350.23</b>	<b>16.8%</b>
<b>Park Improvements</b>				
Back To School	0.00	0.00	0.00	0.0%
BJG Day	0.00	0.00	0.00	0.0%
Equipment	0.00	0.00	0.00	0.0%
Maintenance	0.00	0.00	0.00	0.0%
Park Improvements - Other	0.00	2,000.00	-2,000.00	0.0%
<b>Total Park Improvements</b>	<b>0.00</b>	<b>2,000.00</b>	<b>-2,000.00</b>	<b>0.0%</b>
<b>Payroll Expenses</b>				
Child Support	0.00	0.00	0.00	0.0%
Payroll Expenses - Other	43,239.00	420,000.00	-376,761.00	10.3%
<b>Total Payroll Expenses</b>	<b>43,239.00</b>	<b>420,000.00</b>	<b>-376,761.00</b>	<b>10.3%</b>
<b>Permits</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Public Safety</b>				
Education	0.00	0.00	0.00	0.0%
<b>Police Department</b>				
K-9	0.00	0.00	0.00	0.0%
Auto Repair & Maintenance	251.04	0.00	251.04	100.0%
Equipment	0.00	0.00	0.00	0.0%
Equipment Repairs	0.00	0.00	0.00	0.0%
Fuel	2,382.20	0.00	2,382.20	100.0%
License & Support	0.00	0.00	0.00	0.0%
Office Supplies	0.00	0.00	0.00	0.0%
Telephone	255.14	0.00	255.14	100.0%
Testing Supplies	0.00	0.00	0.00	0.0%
Training	0.00	0.00	0.00	0.0%
Uniforms	0.00	0.00	0.00	0.0%
Utilities	5,088.25	0.00	5,088.25	100.0%
<b>Total Police Department</b>	<b>7,976.63</b>	<b>0.00</b>	<b>7,976.63</b>	<b>100.0%</b>
Public Safety - Other	0.00	80,000.00	-80,000.00	0.0%
<b>Total Public Safety</b>	<b>7,976.63</b>	<b>80,000.00</b>	<b>-72,023.37</b>	<b>10.0%</b>
<b>Public Works</b>				
Equipment Repair	0.00	0.00	0.00	0.0%
Street Signs	237.38	0.00	0.00	0.0%
Debris Cleanup	0.00	0.00	0.00	0.0%
Lights	0.00	0.00	0.00	0.0%
Mosquito Control	0.00	0.00	0.00	0.0%
Street Repair	0.00	0.00	0.00	0.0%
Public Works - Other	0.00	27,000.00	-27,000.00	0.0%
<b>Total Public Works</b>	<b>237.38</b>	<b>27,000.00</b>	<b>-26,762.62</b>	<b>0.9%</b>
<b>Seizure Expenditure</b>	<b>0.00</b>	<b>287.90</b>	<b>-287.90</b>	<b>0.0%</b>
<b>Training Expenditure</b>	<b>0.00</b>	<b>1,000.00</b>	<b>-1,000.00</b>	<b>0.0%</b>
<b>Water Deposit Refund</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>Water/Sewer</b>				
Automobile Repairs	75.00	0.00	75.00	100.0%
Building Maintenance	0.00	0.00	0.00	0.0%
Chemicals	903.98	0.00	903.98	100.0%
Convenience Fee W/S	0.00	0.00	0.00	0.0%
Equipment Repairs	0.00	0.00	0.00	0.0%
Garbage Collection Fee	0.00	0.00	0.00	0.0%
Lab Fees	0.00	0.00	0.00	0.0%
Legal Fees	0.00	0.00	0.00	0.0%
Maintenance	2,000.00	0.00	2,000.00	100.0%
Office Supplies	0.00	0.00	0.00	0.0%
Operating Supplies	500.00	0.00	500.00	100.0%
Permit	1,250.00	0.00	1,250.00	100.0%
Postage	208.65	0.00	208.65	100.0%
Sales Tax Paid	1,313.40	0.00	1,313.40	100.0%

City of Cumby  
**Profit & Loss Budget vs. Actual**

Accrual Basis

October 2019

	Oct 19	Budget	\$ Over Budget	% of Budget
Seminars/Training	0.00	0.00	0.00	0.0%
Software	0.00	0.00	0.00	0.0%
Telephone	200.21	0.00	200.21	100.0%
Testing	0.00	0.00	0.00	0.0%
Uniforms	0.00	0.00	0.00	0.0%
Utilities	20.00	0.00	20.00	100.0%
Water/Sewer - Other	0.00	200,000.00	-200,000.00	0.0%
<b>Total Water/Sewer</b>	<b>6,471.24</b>	<b>200,000.00</b>	<b>-193,528.76</b>	<b>3.2%</b>
<b>Total Expense</b>	<b>99,235.98</b>	<b>1,054,874.57</b>	<b>-955,638.59</b>	<b>9.4%</b>
Net Ordinary Income	37,173.52	0.00	37,173.52	100.0%
<b>Net Income</b>	<b>37,173.52</b>	<b>0.00</b>	<b>37,173.52</b>	<b>100.0%</b>

## Christopher A. Turner, PLLC CPA

5411 Plaza Drive, Suite F Box 8  
Texarkana, TX 75503  
Office 903-748-7316  
Fax 844-295-4047

217 North Jefferson Ave., Suite 2  
Mount Pleasant, TX 75455  
Office 903-572-5185  
Fax 844-295-4047

**PROPOSAL TO PERFORM AUDIT SERVICES CITY OF CUMBY,  
TX**

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Mount Pleasant, TX 75455  
Office 903-572-5185  
Fax 844-295-4047

October 21, 2019

Honorable Mayor and City Council of  
Cumby, TX  
Cumby, TX 75493

Dear Honorable Mayor:

I am pleased to present the following proposal to continue to provide audit services for the City of Cumby, TX.

I am confident that I will show that I have the ideal mix of experience, resources, and knowledge needed to continue to deliver the service that you desire. The City of Cumby, TX will enjoy several distinct advantages to continue having me handle your professional service needs, including:

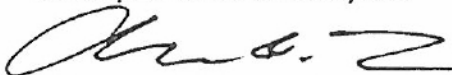
- a. My firm is relatively small and thus will result in lower overhead costs to keep your fees low.
- b. My commitment to providing more personal attention to your auditing needs in a timely basis.
- c. My involvement in the entire audit process as opposed to the larger firms where senior partner involvement may be limited to you dealing with only staff members

I believe my commitment to quality and timely service and my depth of governmental accounting knowledge will serve you well. I do whatever is required to get the job done, on time, without compromising quality.

My clients deserve only the best, and I deliver nothing less. I place a premium on client relationships, building high level of trust and commitment to your success. My clients look at me as a valued resource for advice and solutions. If I am chosen to continue partnering with you, I will use all my resources to help you succeed.

I want to assure you that the City of Cumby, TX will receive great service from me. I want your continued business. If you have any questions about this proposal, please call. I would be honored to continue having your organization as a client and am excited about the opportunity to be a partner in your success.

Sincerely,  
**Christopher A. Turner PLLC, CPA**



Christopher A. Turner, CPA  
Owner/Managing Member

## 1. Executive Summary

Christopher A. Turner PLLC CPA is dedicated to developing an audit engagement plan tailored to the City of Cumby, TX's unique needs. All services will be performed by Christopher A. Turner, owner/managing member of the firm. Bellow, I present my understanding of the services to be performed:

- a. Fiscal year financial audit of the City of Cumby, TX which shall include the general-purpose financial statements, related notes to the financial statements, and required supplementary information which includes the Management Discussion and Analysis, Budgetary Comparison Schedules, and GASB required Pension Schedules.
- b. The audit is to be performed in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants and Governmental Accounting and Financial Reporting Principles.
- c. The timing of the audit is to begin on or about December 16, 2019 and is to be completed by January 31, 2020.
- d. I will assist in the preparation of the financial statements, related notes to the financial statements, and required supplementary information which includes the Management Discussion and Analysis, Budgetary Comparison Schedules, and GASB required Pension Schedules.

## 2. Audit Quality and Approach

When Christopher A. Turner, PLLC CPA performs an audit, a critical step is understanding my client's operations and the unique factors which differentiate your organization. I develop a thorough understanding of my client's activities, operation systems, personnel and special needs. I use this information to plan a complete but efficient audit; areas which require more attention are identified and unnecessary or redundant procedures are eliminated. I have tailor my audit approach based on my advance understanding of governmental audit and accounting, audit requirements, and the City of Cumby, TX's needs.

Following is an overview of the key phases of my approach to the City of Cumby, TX's audit:

### **Phase 1 – Preplanning**

The first step of the audit is preplanning, which consists of meeting with the City's management to clearly identify the lines of communications, perform a risk analysis, discuss any concerns or issues you have and set expectations. I will also establish a preliminary timetable to ensure a smooth audit process.

The proper analysis and consideration of your risk environment is an important part of this phase. My risk assessment process encompasses:

- a. An assessment of inherent risks, both at the financial statement and account balance levels.

- b. An evaluation of internal control structure and the subsequent assessment of control risk.
- c. An assessment of the effectiveness of analytical procedures in controlling and detecting risk.
- d. An analysis of business risks.

I will work with the City of Cumby, TX's financial team to ensure that the audit effort considers the risk environment. To decide how limited audit resources can be utilized in the most cost-effective and efficient manner, there must be a detailed risk assessment of all business activities of the organization.

### **Phase 2 – Planning and Timing**

The next step is to develop an audit plan, which includes tailoring audit programs and procedures specific to the City of Cumby, TX, agreeing on information to be provided by your staff, arranging the exact time of preliminary and final fieldwork, and performing analytical procedures prior to the audit date. This step ensures that all risks have been addressed.

### **Phase 3 – Fieldwork**

Fieldwork is the largest part of the audit process and consists of both substantive audit tests and analytical review. In future years, I expect to perform many of my audit procedures on a preliminary basis. By performing many of my audit procedures before year-end, there is less strain on your accounting staff during the fiscal year-end.

At the end of the preliminary and final fieldwork, I will discuss the results of my work and my preliminary recommendations with the City of Cumby, TX's management.

### **Phase 4 – Review and Wrap-Up**

To ensure that my final audit is of the highest quality, the files and reports will pass through several reviews, some may be done during the fieldwork and some may be done by an outside pre-issuance reviewer. Upon completion of my review process, I will meet or discuss with you via phone conference before the financial statements are finalized to discuss the results of the audit process.

### **Phase 5 – Report Issuance**

At the end of my engagement, I will meet with the City of Cumby, TX's Audit Committee or similar form of governance to present my reports and letters. I will discuss business matters, which will include my recommendations for improving your operations, as well as information regarding new accounting pronouncements, and other issues that impact your organization. I will also be available to you throughout the year to answer any questions you may have.

I believe in a proactive approach to identify and resolve issues during the engagement with the City of Cumby, TX's management. My approach to resolving an issue, if one should arise, during the course of the engagement regarding management's recording, presentation of an accounting transaction, or the applications of a new accounting standards is to have regular meetings with management and discuss the issue until it is resolved.

Christopher A. Turner, PLLC CPA is proud of its reputation of providing clients with high quality services. I monitor my system of quality control continuously throughout the year and subject my audit and accounting policies and procedures to an independent outside preview (referred to as a peer review) every three years as required by our membership in the American Institute of Certified Public Accountants. Christopher A. Turner, PLLC CPA's system of quality control is based on the AICPA's quality control standards.

I have developed specific, computerized audit programs, allowing me to gain maximum flexibility in designing the audit approach at the lowest possible cost. I have undergone extensive training on the use of these audit techniques and relevant application of these software programs.

### 3. Peer Review

My system of quality control for accounting and auditing practice in effect for the year ended December 31, 2016 was subjected to peer review by the firm Acker and Co., CPAs, which issued a pass rating opinion dated June 27, 2017 on my system of quality control.

Acker and Co., CPA's report is included in Appendix B.

### 4. Degree of Compliance

Christopher A. Turner PLLC understands and affirms that all services quoted in this proposal are in full accord with the specifications of the request for audit services and has no exceptions to note at this time.

### 5. Proposal Pricing

My goal is to provide high-quality, reliable service at reasonable fees. My fees are based on estimated hours using a value pricing model based on my experience. Unless there are significant changes in your operations, I don't anticipate a fee increase.

Following are my professional fees for the 2019 engagement and future years should the City wish to continue our relationship:

<b>Years Ending</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Audits of financial statements of <b>City of Cumby, TX 09/30</b>	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Assisting in preparing the financial statements and related notes to the financial statements.					
Meet with the Audit Committee or similar form of those in charge of governance.					
Provide routine consultation throughout the year.					
<b>Total</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>

These fees include all direct and indirect costs, including out-of-pocket expenses.

My proposed fees are based on the following assumptions:

- a. The overall condition of your financial and accounting records is satisfactory.
- b. I will receive support from your accounting personnel necessary for the preparation of the requested schedules and other supporting documentation before I commence fieldwork.
- c. There will not be a need for substantial research any unforeseen technical issues or new accounting or auditing pronouncements for me to complete my audit.

My fee estimate is “not to exceed” commitment. Should any additional work be required or requested that exceeds my fee estimate, this work will only be performed if agreed-to by both my firm and the City of Cumby, TX.

## 6. Explanations and Exceptions

To meet and exceed your expectations, I am diligent about maintaining open communication throughout the entire engagement. In my experience, this results in a more effective engagement. My approach depends on the timely response and assistance of the City of Cumby, TX personnel. This cooperation will further ensure my work is completed in an efficient and cost-effective manner.

I will schedule recurring weekly phone calls or emails with you to discuss the status of the engagement and address any open issues or areas of concern.

Further, I believe in maintaining our relationships with my clients all year long rather than just during the engagement. Accordingly, I will communicate with the City of Cumby, TX management on topics I find may be an interest to you as it relates to your financial and business operations and act as your proactive strategic partner in identify opportunities that may contribute to the future success of your organization.

## 7. Description Literature

Additional literature of services the firm provides can be found at the firm’s website at [catcpatx.com](http://catcpatx.com).

## 8. Background Information and Experience

Located in Mt. Pleasant, TX and Texarkana, TX and licensed in the states of Oklahoma, Texas, and Arkansas, Christopher A. Turner, PLLC CPA has a significant wide area client base and it continues to grow because of my desire to provide high quality services to the governmental, for profit, and not-for-profit business sectors. As such my firm has been able to maintain its long-standing client relationships that on average have been with my firm for 12 years. My client based is comprised of a variety of different types of entities, all of which continue to broaden the experience base of the owner/managing member. Christopher A. Turner has been providing audit and consulting services to government entities for over 12 years. Christopher A. Turner, the partner who will be concurring partner for the audits has over 12 years of experience with governmental entities. Appendix A contains a detail biography of Christopher A. Turner and in appendix D his continuing education listing for the last two years.

I affirm that the firm and the engagement team are independent with respects to the City of Cumby, TX and have in place quality control procedures to ensure that independence is not impaired in anyway.

## 9. References

I understand that quality of service will be a key factor as you prepare to select a firm to serve the City of Cumby, TX. I encourage you to contact the following client references to learn more about my experience and commitment to quality client services.

**Town of Midland, AR (audit client from 2013 to 2014)**

Reba Lovell, Last known City Secretary  
479-639-2635

**Town of Hartford, AR (audit client from 2018 to present)**

Judy Adair, City Secretary  
479-639-2219

**City of New Boston, TX (audit client from 2019 to present)**

Sharmin R. Hutto, City Secretary  
903-628-5596

**City of Como, TX (audit client from 2018 to present)**

Mary Doss, City Secretary  
903-488-3434

## Conclusion

I want to continue being a key part of the City of Cumby, TX's future success.

I have developed a reputation for helping organizations meet their goals and fulfill their missions. With the close, personal involvement in all my engagements, the extensive experience and insight of my professional experience, and my commitment to meeting engagement deadlines, I can continue to help you accomplish your goals.

I appreciated the opportunity to present this proposal and look forward to continuing building a long-lasting relationship with the City of Cumby, TX.

If you have any questions or comments, please contact Christopher A. Turner at 903-572-5185 or email me at [caturnercpa@catcpatx.com](mailto:caturnercpa@catcpatx.com).

## Appendix A

## **Christopher A. Turner**

Firm Owner/Managing Member

O 903-572-5185

F 844-295-4047

[caturnercpa@catcpatx.com](mailto:caturnercpa@catcpatx.com)

### **Summary of Experience**

Christopher has over 20 years of accounting and auditing experience in a variety of industries. From 1998 to 2000, Christopher was a bookkeeper for a large firm out of Texas in its Oklahoma office where bookkeeping was provided to 150 clients each month. From 2000 to 2001, Christopher was a controller for a small local motorcycle shop where he managed the day-to-day accounting activities for the business. From 2001 to 2007, Christopher worked for a CPA firm in Fort Smith, AR where he oversaw planning, fieldwork, and concluding audits for clients such as the Central Mall formally owned by the Warmacks. In 2007, Christopher purchased his first firm in Texarkana, TX and his second firm the following year. Currently, Christopher oversees and handles the audits for 2 non-for-profits, 3 – 5 city audits, 2 audits under HUD, and 2 construction companies. Christopher also performs 5 review engagements to construction companies to meet the requirements for the State of Arkansas Contractors Board and performs several compilation engagements.

Christopher provides due professional care for each engagement he encounters. Prior to beginning the engagement, Christopher studies the client's financial picture and gets to know the organizations management team. He keeps them informed, makes practical recommendations and monitors the progress of the job.

Christopher plans, performs the fieldwork, composes the management letter, composes the engagement letter, composes the communications to management and those in charge of governance, assists in the preparation of the basic financial statements and related notes to the financial statements, and assists in solving issues. Christopher has numerous other experiences with for-profit and not-for-profit organizations in which he provides accounting and auditing services to.

### **Professional Affiliations**

- a. Licensed CPA in the states of Oklahoma, Texas, and Arkansas.
- b. Member of the American Institute of CPAs.
- c. Member of the Texas Society of CPAs.
- d. Member of the Government Audit Quality Control Center.
- e. Member of the Employee Benefit Plan Audit Quality Control Center.
- f. Member of the Private Companies Practice Section.
- g. Enrolled peer reviewer.

### **Education**

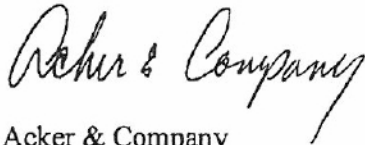
- a. Associates of Arts degree, Carl Albert State College, Poteau, OK
- b. Bachelor of Science degree with focus of studying accounting, Northeastern State College, Tahlequah, OK
- c. Master's in business administration, University of Phoenix (online), Phoenix, AZ.

Christopher A. Turner, PLLC, CPA  
June 27, 2017  
Page 2

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

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Christopher A. Turner, PLLC, CPA in effect for the year ended December 31, 2016, 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*. Christopher A. Turner, PLLC, CPA has received a peer review rating of *pass*.



Acker & Company  
Certified Public Accountants, PC

# Acker & Company

Certified Public Accountants, PC

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

June 27, 2017

To the Shareholders of  
Christopher A. Turner, PLLC, CPA  
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 Christopher A. Turner, PLLC, CPA (the firm) in effect for the year ended December 31, 2016. 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*.

## Appendix B

September 12, 2017

Christopher Turner  
Christopher A Turner PLLC CPA  
217 N Jefferson Ave Ste 2  
Mount Pleasant, TX 75455 3965

Dear Christopher Turner:

It is my pleasure to notify you that on September 11, 2017, the Texas Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is June 30, 2020. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Sincerely,



Jerry Cross  
Director - Peer Review  
peerreview@tscpa.net 800-428-0272 Opt. 2  
Texas Society of CPAs

CC: Leonard Acker

Firm Number: 900004689959

Review Number: 522234

**Appendix C**



**Texas State Board of Public Accountancy**  
 William Treacy, Executive Director

**TURNER, CHRISTOPHER ALAN - Individual Licensee**  
 Review CPE Courses Previously Reported

Your license fees have been paid and your license has been issued.

Licensee Menu | Logout | Contact the Board | Terms of Use

**CPE Courses Previously Reported**

The following courses that were reported in a prior business day have been used to calculate the CPE requirement for your next unissued license period. The courses are listed in date order for each interval.

License Period	Accrual Period	Type	Date Taken	Credits	Method	Sponsor ID	Sponsor	Course ID	CPE Course
JAN 2017 - DEC 2017	JAN 2016 - DEC 2016	Tech	09/12/2016	2.00	A	009314	SURGENT MCCOY CPE, LLC	CON3	Controllership Skills Update: Budgeting and Forecasting
		Tech	09/12/2016	4.00	A	009314	SURGENT MCCOY CPE, LLC	DRF4	Fraud Basics: Protecting the Company
		Tech	09/14/2016	8.00	A	009314	SURGENT MCCOY CPE, LLC	ACAU	Annual Accounting and Audit Update
		Tech	09/16/2016	8.00	A	009314	SURGENT MCCOY CPE, LLC	CRAU	Compilations, Reviews, and New Preparations: EPAU
		Tech	11/10/2016	8.00	A	009314	SURGENT MCCOY CPE, LLC	UGID	Essential Course for Performing Singl Audits Under New UGFA
		Tech	11/15/2016	8.00	A	009314	SURGENT MCCOY CPE, LLC	GVAA	Latest Development in Govt Actgd and Auditing
		Tech	12/09/2016	8.00	A	009314	SURGENT MCCOY CPE, LLC	GNAA	Latest Development in Govt and NFP Actgd and Auditing
		Tech	12/10/2016	2.00	D	009314	SURGENT MCCOY CPE, LLC	CROV	Compilation and Review Overview
		Tech	12/10/2016	4.00	D	009314	SURGENT MCCOY CPE, LLC	BFT4	Federal Tax Update
		<b>TOTAL</b>		<b>62.00</b>					
JAN 2018 - DEC 2018	JAN 2017 - DEC 2017	Tech	01/24/2017	1.50	D	000215	AICPA		PEER REVIEW PRGM BASICS - PRGM OVERVIEW
		Tech	06/12/2017	2.00	D	009580	BECKER PROFESSIONAL EDUCATION		HUD: AN AUDIT INTRO
		Tech	07/02/2017	2.50	D	000215	AICPA		PEER REVIEW PRGM BASICS - PLANNING A SYS REV
		Tech	07/03/2017	1.50	D	000215	AICPA		PEER REVIEW PRGM BASICS - PEF A SYS REV
		Tech	07/03/2017	1.00	D	000215	AICPA		PEER REVIEW PRGM BASICS - REPTG ON A SYS REV
		Tech	07/10/2017	2.50	D	000215	AICPA		PEER REVIEW PRGM BASICS - ENG REVS
		Tech	07/10/2017	1.00	D	000215	AICPA		PEER REVIEW PRG BASICS - ADM PEER REVIEWS
		Tech	09/13/2017	8.00	A		ASCPA		BECOMMING AN AICPA PEER REV TEAM/REV CAPTAIN: CASE STDY
		Tech	09/27/2017	2.50	D	009580	BECKER PROFESSIONAL EDUCATION		EMPLOYEE BENEFITS, PART 3 - DBPP
		Tech	09/27/2017	2.50	D	009580	BECKER PROFESSIONAL EDUCATION		EMPLOYEE BENEFITS, PART 2 - DCP
		Tech	09/27/2017	2.00	D	009580	BECKER PROFESSIONAL EDUCATION		INTRODUCTION TO EMPLOYEE BENEFITS, PART 1
		Tech	09/29/2017	3.00	D	000215	AICPA		AICPA PEER REVIEW MUST-SELECT INDS UPDATE: GVT
		Tech	10/03/2017	8.00	A	009314	SURGENT MCCOY CPE, LLC		HOW TO DO A GAAS AUDIT
		Tech	10/06/2017	8.00	A	009314	SURGENT MCCOY CPE, LLC		Annual Accounting and Audit Update
		Tech	10/09/2017	8.00	A	009314	SURGENT MCCOY CPE, LLC		Latest Development in Govt Actgd and Auditing
		Tech	10/10/2017	8.00	A	009314	SURGENT MCCOY CPE, LLC		COMPILATION, REVIEWS, AND NEW PREP UPDATE
		Tech	10/12/2017	2.50	D	000215	AICPA		PEER REVIEW UPDATE
		Tech	10/12/2017	2.50	D	000215	AICPA		AICPA PEER REVIEW MUST-SELECT INDS UPDATE: EBP
		Tech	10/13/2017	8.00	A	009314	SURGENT MCCOY CPE, LLC		LATEST DEVELOPMENT IN NFP ACTGD AND AUDIT
		Tech	11/06/2017	8.00	A	009314	SURGENT MCCOY CPE, LLC		AUDITS OF 401(K) PLANS: NEW DEVELOPMENTS
		Tech	11/10/2017	8.00	A	009314	SURGENT MCCOY CPE, LLC		Essential Course for Performing Singl Audits Under New UGFA
		Ethics	12/12/2017	4.00	D	009046	CPEIthink.com, Ltd		Ethics and Professional Conduct for Texas CPAs
		<b>TOTAL</b>		<b>95.00</b>					
		Tech	06/05/2018	16.00	A	008900			2018 Texas School Dist. Acct. & Auditing Conference

JAN 2019 - DEC 2019	JAN 2018 - DEC 2018						BUSINESS PROFESSIONALS NETWORK, INC.		
		Tech	07/02/2018	8.00	A	009314	SURGENT MCCOY CPE, LLC	GAAS	How to Do a GAAS Audit
		Tech	11/06/2018	8.00	A	009314	SURGENT MCCOY CPE, LLC	FANG	Fraud & Abuse in NFP Entities & Govt.: Stealing from Everyon
		Tech	11/13/2018	8.00	A	009314	SURGENT MCCOY CPE, LLC	ACAU	Annual Accounting and Audit Update
		Tech	11/14/2018	8.00	A	009314	SURGENT MCCOY CPE, LLC	CRAU	Compilations, Review, and New Prep: Eng Perf. and Annual Udt
		Tech	11/26/2018	4.00	A	009314	SURGENT MCCOY CPE, LLC	AFPL	Audits of 401K Plans: New Developments and Critical Issues
		Tech	11/27/2018	8.00	A	009314	SURGENT MCCOY CPE, LLC	GNAA	Latest Devel. in Govt & NFP Acctg. and Auditing
		TOTAL		60.00					

Course methods are: A-Participant, B-Instructor, C-Author, D-Correspondence, E-Nano Program, F-Blended Program.

**cityofcumby@cumbytel.com**

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**From:** "Mike Ward, CPA" <mward@mikewardcpa.com>  
**Date:** Friday, November 08, 2019 11:34 AM  
**To:** <cityofcumby@cumbytel.com>  
**Subject:** RE: Audit Estimate

Hi Codi,

Sorry it took me so long to respond. I took on a County that needed 5 audits completed, if a bond issue passed. I didn't want to plan anything until I learned if the bond issue passed or not. The bond issue failed, so I am doing just one audit for them, so I have some time.

I will get you an official engagement letter, but I would propose \$6,000, and would be able to conduct the audit around the end of January.

Again, I am sorry that it took me so long to respond. Please let me know if you have any questions at all.

I hope you have a great day!

Mike

**Mike Ward Accounting & Financial Consulting, PLLC**  
**903.269-6211**

---

**From:** cityofcumby@cumbytel.com <cityofcumby@cumbytel.com>  
**Sent:** Friday, November 8, 2019 11:01 AM  
**To:** Mike Ward, CPA <mward@mikewardcpa.com>  
**Subject:** Audit Estimate  
**Importance:** High

Hello Mike, I was just checking to see if you had a chance to put together the estimate for the financial audit. Our meeting is scheduled for Tuesday and I send agenda packets to council today. Can you let me know if something. Thank you

Codi Reynolds,

City Secretary

City of Cumby

(903) 994-2272

cityofcumby@cumbytel.com

**PROPOSAL TO PROVIDE ANNUAL  
FINANCIAL AUDIT**

**CITY OF CUMBY, TX**

EVANS & KNAUTH, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
4433 Punjab Way, Suite 102  
Frisco, Texas 75033  
(972) 335-9754

CONTACT PERSON: KIRK EVANS

Date: October 18, 2019



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**EVANS & KNAUTH, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
4433 PUNJAB WAY, SUITE 102  
FRISCO, TEXAS 75033  
972-335-9754/FAX 972-335-9758

**TRANSMITTAL LETTER**

October 18, 2019

Codi Reynolds  
City Secretary  
100 E. Main Street  
Cumby, Texas, 75433

Thank you for the opportunity to submit this proposal to provide financial and compliance audit services for the City of Cumby. Our firm is very experienced in providing audit services as we have been doing so for several years. The majority of our practice is in providing audit and related services to governmental and non-profit organizations that use fund accounting such as that used by the City of Cumby.

Evans & Knauth, PLLC is a firm of Certified Public Accountants. Our firm has been in business over sixty years and has provided governmental audit services for most of those years. All our audit staff are experienced and well trained.

Our audit would be conducted and reported on in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board, the standards for financial audits set forth in the U.S. General Accounting Office's *Governmental Auditing Standards, Audits of States, Local Governments and Non-profit Organizations* as well as other state and local requirements.

Audited financial statements would be issued for the District, which would meet all requirements necessary to apply for the Government Finance Officers Association - Certificate of Achievement for Excellence in Financial Reporting.

As part of our audit, we would perform an in depth review of internal controls. Based upon our review, we may make recommendations on ways to improve the safeguarding of assets. We may also suggest changes in various office procedures. Our recommendations would be made in a positive manner; we purposely try to avoid demeaning anyone. If we decide that it is necessary to make written internal control recommendations, they will be contained in a separate management letter. We maintain our independence and would not hesitate to make disclosures or recommendations that we feel were in the District's best interests.

We understand the timeline for audit fieldwork and reporting as contained in the request for proposal and we believe that we can meet each scheduled date.

We maintain our audit workpapers and reports for a minimum of six years. We allow our audit clients or their designated representatives access to those workpapers during the six-year retention period.

This proposal is a firm and irrevocable offer to provide audit and other necessary services for the City of Cumby.

We believe that our firm is highly qualified to provide the requested services as we have very experienced employees of high moral character whose goal is to provide the best and most efficient services at a reasonable fee. We will provide consistent audit personnel to perform the services which will reduce the time required by District staff. Our work is technically superior as evidenced by our Peer Review reports. Our firm has a long and distinguished record of providing superior audit services to entities the size of City of Cumby.

I am authorized to make representations for our firm and would be available to discuss this proposal with you or designated District officials at their convenience. This proposal is valid for a maximum period of ninety days.

Sincerely,



Kirk Evans, CPA  
Managing Partner  
**EVANS & KNAUTH, PLLC**

## TECHNICAL PROPOSAL

### INDEPENDENCE

Our firm and individual employees are independent in relation to the City of Cumby and its employees. Our firm complies with the independence standards of the American Institute of Certified Public Accountants and the U.S. General Accounting Office.

Our firm and employees would maintain their independence during the proposed five year audit service period. If for any reason an employee's independence changed, we would immediately remove the employee from the engagement and notify appropriate District staff.

### LICENSE TO PRACTICE IN TEXAS

The firm of Evans & Knauth, PLLC and all Certified Public Accountants employed by the firm are licensed to practice in the State of Texas and meet all requirements of the American Institute of Certified Public Accountants and the U.S. General Accounting Office.

### FIRM QUALIFICATIONS AND EXPERIENCE

Evans & Knauth, PLLC is a firm of Certified Public Accountants located in Frisco, Texas. Our firm has been in business over sixty years and has provided governmental audit services for most of those years. We would assign a team of three full-time staff to perform the audit fieldwork and then have a firm partner review the District's audited financial statements.

Our firm is a member in good standing of the AICPAs Governmental Audit Quality Center. We undergo a Peer Review every three years and an internal review the other two years. Our most recent report was 2016 and we received a grade of "pass" which is the highest you can receive.

We have not had a negative federal or state desk or field reviews and have never been involved in any disciplinary action.

### PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS

Kirk Evans, CPA, Managing Partner- Over thirty years of experience in public and private accounting. Twenty years of experience in Governmental accounting and auditing. He is the firm Manager and oversees all audits. He holds a CPA certificate and license in the state of Texas. He is a graduate of Drury University, a member of AICPA, local Chamber of Commerce, and Texas Society of CPA's.

Chris Knauth, CPA, Partner – has over twenty years of experience in public and private accounting. Beginning his career at Ernst & Young, Chris has worked in various industries and has extensive experience in governmental auditing. He is licensed in the state of Texas and is a member of AICPA and Texas Society of CPAs.

Heather LaPoint, Audit Manager - Heather has over fifteen years of experience in governmental auditing with emphasis in governmental single audits. She is experienced in all aspects of Federal regulations and compliance, as well Federal Audit Clearinghouse requirements. She is a graduate of the University of California - Santa Barbara.

Various other staff all with minimum of 10 years of experience.

All of our CPAs are licensed by the Texas State Board of Public Accountancy.

In addition to being experienced, our staff of accountants are highly qualified and are provided with the most current literature and training available concerning governmental audits. All of our CPAs are provided a minimum of forty hours of continuing professional education annually including the continuing education required by generally accepted government auditing standards.

Our firm does not discriminate with employment or clients served.

**SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES**

**This is a very small sample of our governmental clients**

<u>Entity</u>	<u>Scope of Work</u>	<u>Audit Period</u>
City of Sulphur Springs Ms. Lesa Smith Finance Director (903) 885-7541	Government Wide Audit, GFOA-CAFR OMB Single Audit	Thirty years
City of Alvord Ms. Susan Raines Finance Director (940) 427-2105	Government Wide Audit	Ten years
Town of New Hope Carol King Finance Director 214-578-6152	Government Wide Audit	Three years
South Grayson SUD John Spencer General Manager 903-482-6231	Government Wide Audit	Ten years
Wylie NE SUD Amanda Horst Business Manager 972-442-2075	Government Wide Audit	Four years

Because of our help in preparing the CAFR, several of our clients apply for and receive the Government Finance Officers Association - Certificate of Excellence in Financial Reporting.

During the 2018 year, our firm performed approximately fifty (50) audits of entities that use fund accounting.

Our firm has performed in excess of thirty (30) governmental audits every year for the past 20 years. We also perform in excess of fifteen (15) single audits every year.

## REGULATION UPDATES

Our firm, during the audit periods, will keep District staff informed of any regulation changes and their potential impact.

## SCOPE AND SPECIFIC AUDIT APPROACH

Our audit would be both a financial audit of the basic financial statements of the District and a "Single Audit", if required. A financial statement audit is made to determine (1) whether the financial statements of an entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements. A single audit is required by "The Single Audit Act of 1996" which requires state and local governmental units receiving certain amounts of federal financial assistance to obtain an independent "Single Audit" of federal funds received under various federal programs. Such an audit replaces separate audits of individual grants to which the entities would otherwise have been subject under federal requirements. A Single Audit under the Act consists of (a) a financial audit performed in accordance with the GAO's *Government Auditing Standards* (the Yellow Book), (b) a study and evaluation of the governmental unit's internal control structure relevant to federal financial assistance programs, and (c) tests of the governmental unit's compliance with laws and regulations relevant to federal financial assistance programs.

Our audit would consist of various tests and procedures designed to meet specific objectives. Auditing standards define those objectives and provide measures of quality that can be used to judge the effectiveness of the tests and procedures used to meet them.

Standards for financial audits of governmental units, such as cities, as well as standards for public-sector performance auditing, have been established by the U.S. General Accounting Office in its publication *Government Auditing Standards*, commonly referred to as the "Yellow Book." These standards form generally accepted government auditing standards.

The preliminary phase of our audit consists of obtaining an understanding of each of the elements of the District's internal control structure to plan our audit of the financial statements. We gain this understanding by flow-charting various accounting functions, interviewing staff, completing questionnaires on certain accounting cycles and performing analytical tests of account balances. Our preliminary work provides knowledge concerning the types of potential misstatements that could be in the financial statements, factors that affect the risk of material misstatement and substantive tests that should be included in our audit program.

Based upon the results of our preliminary audit phase, we design an audit program that, we believe, is effective and efficient. We do not use the same program for all audit clients. We design our program to substantively test all material balance sheet, revenue and expenditure accounts. We perform extended analytical tests or statistical tests of transactions or accounts not chosen for substantive testing. We perform extended tests on computer programs or use computer audit specialists only in those circumstances where internal controls are weak, account balances are not as expected or where computers are used for more than general accounting transactions.

We select a sample of expenditures for testing from each major fund and for each material federal or state grant. Our samples are normally taken from specific expenditure accounts, the general ledger detail or a universe of checks written. We determine our sample sizes based upon the size and nature of the universe.

We use council minutes, bond ordinances, grant documents, revenue sources and various other sources to determine laws and regulations subject to audit test.

We prepare all our workpapers and would only request that District staff provide system documentation and explanations and needed source documents.

Our audit program for an entity the size of the City of Cumby can be seventy pages of audit procedures and considerations that will be satisfied. The audit program is divided into such areas as:

The assignment of staff to specific areas would not be done until after the preliminary phase of our audit. Mr. Evans would manage the audit and would be on site for all fieldwork.

At the end of the audit fieldwork a firm partner reviews the audit program to make certain that all steps were satisfactorily completed and signed-off by the responsible staff member.

We understand the timeline for audit fieldwork and reporting as contained in the request for proposal and believe that we can meet each scheduled date.

#### IDENTIFICATION OF POTENTIAL AUDIT PROBLEMS

We do not foresee any potential problem areas. If any areas of concern are discovered during the audit process, they will be discussed with appropriate District management personnel during the course of our audit.

#### REPORT FORMAT and GFOA

We have not included a sample report format as the report format would meet all AICPA, GASB, GAO, CAFR and request for proposal requirements.

Our firm is very experienced in assisting governmental clients who desire to send their CAFR to the GFOA of the U. S. and Canada for review in their Certificate of Achievement of Excellence in Financial Reporting Program. One of our experienced staff would compare the District's CAFR to the GFOA checklist and to a set of financial statements, prepared by our firm, that has already been awarded the GFOA Certificate. Any noted deficiencies would be made known to District staff.

CITY OF CUMBY

EVANS & KNAUTH, PLLC  
Certified Public Accountants

Kirk Evans, partner of Evans & Knauth, PLLC is entitled to represent the firm, empowered to submit a cost proposal, and authorized to sign a contract with the City of Cumby.

Total all-inclusive maximum price for the fiscal year end September 30, 2019 engagement is \$ 12,000.



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Kirk Evans

October 18, 2019  
Date

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF CUMBY, TEXAS ADOPTING RULES AND REGULATIONS FOR THE USE OF PUBLIC PARKS WITHIN THE CITY OF CUMBY, TEXAS; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$500.00 FOR ANY VIOLATION; PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND A SAVINGS CLAUSE; AND SETTING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Cumby, Texas finds that it is in the best interest of the health, safety and welfare of its citizens to adopt rules and regulations of city parks;

**NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CUMBY, TEXAS:**

**SECTION 1.** A new article for the Rules and Regulations of Public Parks of the Code of Ordinances of the City of Cumby, Texas, is hereby adopted and shall read as follows:

**SECTION 1.01            Definitions**

“Applicant” means any individual, person, firm, partnership, association, corporation, or organization applying for a City of Cumby Park Reservation Permit Application and/or City of Cumby Park Special Use Permit.

“Application” means the written request for a City of Cumby Park Reservation Permit Application and/or City of Cumby Park Special Use Permit.

“Authorized Vehicle” means any vehicle approved by the City Representative.

“Burn ban” means a ban on the making or kindling of fires at any park facility based upon the city Representative’s determination, in his or her sole discretion, that extreme dry weather, high winds or other conditions endanger public health and safety.

“City” shall mean the city of Cumby, Texas.

“City of Cumby Park Reservation Permit” means the permit needed in order to reserve any or all of the City of Cumby Park.

“City Representative” means the City’s authorized representative or his or her designee.

“Class B Amusement Ride” means a mechanical device that carries passengers along, around, or over a fixed or restricted course or within a defined area for the purpose of giving the passengers amusement, pleasure, or excitement, including one that is mechanically inflated using a continuous airflow device and

provides a surface for bouncing and jumping or creates an enclosed space for the purpose of amusement.

“Motorcycle” means a motor vehicle, other than a tractor, that is equipped with a rider’s saddle or seat and designed to have, when propelled, not more than three (3) wheels on the ground.

“Motor Vehicle” or “Motorized Equipment” means a self-propelled vehicle or equipment, including motorized scooters and electric bicycles. This definition, however, does not include any device designed to assist a person who has a physical disability with mobility.

“Non-resident” means any person residing in the Cumby Independent School District but outside of the city limits of the City of Cumby is a non-resident.

“Park”, “Public Park”, or “Park Facility” means any and all land, areas, buildings, and facilities that are owned, leased, or otherwise controlled by the city, including, but not limited to parks, playgrounds, pavilions, shade structures, facility, or recreation area thereon operated by the City as a Park or Park Facility.

“Park User Fee” means the sum of money to be paid as necessary for the use of the Park Facility requested.

“Permit” means written permission, from the city or his or her designees issued pursuant to the provisions of the Ordinance and authorizing a person or organization to carry out the activity specified in the permit at a park or park facility. Permits may include, but are not limited to, special use permits, site use permits and facility use agreements.

“Permit Holder” means the responsible individual, person, firm, partnership, association, corporation, or organization responsible for the City of Cumby Park Reservation Permit and/or Special Use Permit.

“Person” means any individual, person, firm, partnership, association, corporation, or organization of any kind.

“Public Gathering” means a planned [Two (2) or more hours] event that includes a minimum of 15 people in a Public Park for a specific purpose included but not limited to birthday parties, family reunions, private parties or an organized event. This definition is not to include events conducted or sponsored by a City of Cumby public school, Black Jack Grove Daughters’ annual Black Jack Day Celebration, or Cumby Fire Department’s annual Bike Ride.

“Responsible Party” means any individual, person, firm, partnership, association, corporation, or organization of any kind who is responsible for compliance with all rules and regulations of the Park Ordinance, City Ordinances as well as all Federal, State and Local laws.

“Reserved Facility or Area” means a park location which may be reserved for the exclusive use of the responsible party and includes, but is not limited to, indoor and outdoor facilities, pavilions, shaded structures, gathering areas, and their adjacent or support areas and facilities.

“Resident” means any person residing within the city limits of the City of Cumby.

“Scheduled Activity” means an activity at a park location which has been scheduled through the city for the particular and exclusive use of a person or persons.

“Special Use Permit” means a special permit needed for certain activities within the City of Cumby Park.

“Trailer” means a vehicle, with or without motive power:

- (1) Designed to be drawn by a motor vehicle and to transport persons or property; and
- (2) Constructed so that no part of the vehicle’s weight and load rests on the motor vehicle.

**Section 1.02 Purpose**

It is the purpose of the Article to establish rules and regulations governing the use of and conduct in Public Parks of the City of Cumby, Texas.

**Section 1.03 Prohibited Activities**

- (a) It shall be an offense for any person to knowingly do any of the acts specified in this section in or upon any park facility, except as otherwise specifically provided:
  - (1) **Park Hours and Loitering**
    - (a) Public Parks shall be closed at night between the hours of 10:00 p.m. and 6 a.m.
    - (b) It shall be unlawful for any person(s) to use or be in a Public Park when it is closed.  
(City of Cumby Ordinance 97-5)
  - (2) **Temporary Closures**
    - (a) Enter or use a park or park facility when notice has been posted at the park or park facility that it is closed; or
    - (b) Remain in or return to a park or park facility after being given notice that the park or park facility is closed.
  - (3) **Age Requirements**

No person shall permit or allow any child under the age of twelve (12) years of age to make use of a Public Park without adult supervision.

- (4) Restroom Use**

  - (a)** Enter, remain in, or loiter near or about a public restroom located at or in a park facility to

    - (i)** Engage in criminal activity; or
    - (ii)** Use the toilet facilities for something other than their intended health purposes; or
  - (b)** Enter a restroom designated for the opposite sex. It is an affirmative defense to prosecution under this subpart that a person, regardless of age, entered an otherwise unoccupied restroom of the opposite sex

    - (i)** For the purpose of assisting a disabled person of the opposite sex; or
    - (ii)** To render reasonably necessary assistance or supervision of a child under the age of eighteen (18) years.
- (5) Weapons**

  - (a)** Offense. Possess in or upon a park or park facility or premise a firearm.
  - (b)** Possess in or upon a park or park facility or premise an air gun, paintball gun, slingshot or any other device that could project any object that is hazardous or dangerous to the public, unless authorized by state law.
  - (c)** Applicability. Nothing in subsection 1.03 (a) shall be construed to prohibit or restrict the lawful carrying or possession of a firearm pursuant to state law.  
(City of Cumby Ordinances 80-4 and 88-2)
- (6) Illicit Drugs**

  - (a)** Sell, possess or consume illicit drugs in a park or park facility.
- (7) Alcohol**

  - (a)** Offense. Consume alcoholic beverages in a park or park facility. (City of Cumby Ordinance 74-4)
  - (b)** Sell or possess in a park or park facility.
- (8) Tobacco Use**

  - (a)** Use or consume any tobacco products including the use of an electronic vaping device.

    - (i)** In a park restroom; or
    - (ii)** Inside the border of a playground or other play feature; or
    - (iii)** Under or within 20 feet of the Pavilion; or
    - (iv)** In an outdoor area of a park facility where it is posted as prohibited or is otherwise prohibited.

- (9) **Fires**
- (a) Make or kindle a fire in an area which is not a public stove, grill, fire pit, or other designated area provided for that purpose; or
  - (b) Leave a fire unattended; or
  - (c) Make or kindle a fire during those periods that the City determines that a burn ban is appropriate and notice to the public of any such burn ban had previously been published on the city's web page.  
(City of Cumby Ordinance 2015-08-001)
- (10) **Fireworks**
- No person, firm, company, corporation, or association shall cast, throw, or fire any squib, rocket, cracker, torpedo, grenade, gun, revolver, pistol, cap or cartridge, or other combustible fireworks of any kind in the City Park.  
(City of Cumby Ordinance 92-3)
- (11) **Environmental Disturbance**
- Destroy, damage, deface or remove shrubbery, trees, soil, grass, turf or other vegetation, rock, mineral or any other personal or real property or dump any type of trash or debris.
- (12) **Motorized Vehicles and Equipment**
- (a) Operate and/or use any motor vehicle or motorized equipment in and/or upon a Public Park except in certain areas, drives and pathways specifically designated or authorized for such purpose, including but not limited to: automobiles, airplanes, drones, motor bikes, motorcycles, all-terrain vehicles (ATVs), mopeds, go-carts or motorized models.
  - (b) Operate any motor vehicle or motorized equipment in areas designated for the operation of such motor vehicles or motorized equipment in willful or wanton disregard for the safety of persons or property.
  - (c) Park any motor vehicle or motorized equipment upon the grass, lawn, or any other areas within a Public Park that have not been designated for parking purposes.
  - (d) Park any motor vehicle or motorized equipment in any parking lot or parking area so as to obstruct, block or hinder ingress or egress of such parking lot or parking area.
  - (e) Applicability. This prohibition shall not apply to the following organizations during the designated event:

- (i) Cumby Volunteer Fire Department's Annual Bike Ride.
- (ii) Black Jack Grove Daughters' Annual Black Jack Grove Day.
- (ii) Stars and Stripes Annual 5K Run  
(City of Cumby Ordinance 2012-3)

**(13) Animals**

- (a) Ride or lead a horse in the Public Park.
- (b) Abandon any animal.
- (c) Fail to immediately remove and dispose of any excreta an animal produce.
- (d) Permit an animal which is not a service animal used to assist the person with a disability to enter or remain inside the park or park facilities.
- (e) Permit an animal to run at large.
- (f) Fail to keep an animal restrained by a leash not more than six (6) feet long, which leash shall at all times serve as a connection between the animal and the person that accompanies the animal.
- (g) Permit an animal to remain unattended.
- (h) Tether an animal to any object.
- (i) Applicability. This shall not apply to:
  - (i) The animal is a police service animal under the supervision of a peace officer in the performance of his official duties.
  - (ii) The animal is training in designated areas for search and rescue purposes that benefit the public good.

(City of Cumby Ordinances 97-6, Section 1(a) and 2012-3)

**(14) Glass Containers**

- (a) No person will possess or bring any glass container(s) into a Public Park.
- (b) Applicability. This prohibition shall not apply to the Black Jack Grove Daughters' annually held Black Jack Grove Day Celebration for the purpose of putting soups and chilis into mason jars.

**(15) Signs**

Erect any permanent sign on or in any park facility area.

**(16) Failure to Notify**

Failure to notify a City official at the City Hall or Police Department of:

- (a) A defective or dangerous condition at a Public Park; or

- (b) Any injury or damage to persons or property occurring at a Public Park.
- (b) None of the above provisions apply to city employees, agents or contractors in the performance of maintenance, construction or repair duties for any park or park facility except subsections (5), (6), (7), (8) and (10).

**Section 1.04.001 Activities allowed with a City of Cumby Park Reservation Permit or as posted by the City Representative or his or her designee**

- (a) It shall be an offense for any person to do any of the acts specified in this section in or upon any park, public park or park facility except with a City of Cumby Park Reservation Permit or as posted by the city representative or his or her designee.

**Public Gathering**

- (1) Use of the pavilion, shade structure and/or restrooms including, but not limited to, birthday parties, family reunions or private parties, or any organized planned event for a specific purpose without a City of Cumby Park Reservation Permit.
- (2) Applicability. This shall not apply to the following organizations during the designated event:
  - (a) Cumby Volunteer Fire Department and their Annual Bike Ride; or
  - (b) Black Jack Grove Daughters and their Annual Black Jack Grove Day celebration; or
  - (c) Stars and Stripes Annual 5K Run for Spc Arsenio Ugalde II
  - (d) A planned event of the City of Cumby Public School which has been given notice to the City Representative.

**Section 1.04.002 Activities allowed with a City of Cumby Park Reservation Permit AND a City of Cumby Special Use Permit**

- (a) It shall be an offense for any person to do any of the acts specified in this section in or upon any park, public park or park facility except with a City of Cumby Reservation Permit AND a City of Cumby Special Use Permit or as posted by the city representative or his or her designee.
  - (1) **Sale of Goods and Services**
    - (a) Sell or offer for sale any food, drinks, confections, merchandise, or services, unless provided through a City of Cumby Park Reservation Permit and a City of Cumby Special Use Permit, contract or facility use agreement.

- (b) Commercial or business activities for which, unless a City of Cumby Park Reservation Permit and a City of Cumby Special Use Permit, contract or facility use agreement:
    - (i) Any participation or admission fee is charged or revenue is otherwise derived; or
    - (ii) Commercial promotional materials or advertising is distributed.
  - (c) Applicability. This shall not apply to the following organizations during the designated activities:
    - (i) Cumby Volunteer Fire Department and their Annual Bike Ride; or
    - (ii) Black Jack Grove Daughters and their Annual Black Jack Grove Day celebration.
    - (iii) Stars and Stripes Annual 5K Run for Spc Arsenio Ugalde II
- (2) Sound Amplification**
- (a) Use any type of sound amplification devices including, but not limited to, loudspeakers, amplifiers or microphones, unless provided through a City of Cumby Park Reservation Permit and a City of Cumby Special Use Permit, contract or facility use agreement.
  - (b) Applicability. This shall not apply to the following organization during the designated event:
    - (i) Cumby Volunteer Fire Department and their Annual Bike Ride; or
    - (ii) Black Jack Grove Daughters and their Annual Black Jack Grove Day celebration; or
    - (iii) A planned event of the City of Cumby Public School which notice has been given to the City Representative.
    - (iv) Stars and Stripes Annual 5K Run for Spc Arsenio Ugalde II
- (3) Class B Amusement Ride**
- (a) Use of any bounce house requires a City of Cumby Park Reservation Permit Application, a City of Cumby Special Use Permit and the vendor must carry at least \$1 million Insurance Policy. It is the responsibility of the Permit Holder or the Responsible Party to ensure the vendor supplies the required insurance. A copy of the Insurance Policy must be turned in three (3) days prior to the reservation date to the City Representative. It is the responsibility of the Permit Holder to make sure that the Bounce House Company provides a generator as a source for electricity.

- (Occupations Code Chapter 2151)
- (b) Applicability. The fees of the City of Cumby Park Reservation Permit Application and City of Cumby Special Use Permit shall not apply to the following organizations during the designated events:
    - (i) Black Jack Grove Daughters and their Annual Black Jack Grove Day celebration; or
    - (ii) A planned event of the City of Cumby Public School which has given notice to the City Representative.
  - (c) The above-mentioned organizations in Section 1.04.002(3)(b)(i)(ii) still must provide documentation of any participating vendors of any and all documentation of Class B Amusement Ride.

**Section 1.05 City of Cumby Park Reservation Permit Application Procedure**

- (a) A person wishing to conduct an activity in a park facility which requires a City of Cumby Reservation Permit and a City of Cumby Special Use Permit under sections 1.03, 1.04.001 and 1.04.002 of this Ordinance shall file an application with the City Secretary. The application shall at a minimum provide the following information:
  - (1) The date of the application;
  - (2) The name, address, and telephone number of the applicant. If the use or activity is to be conducted for, on behalf of, or by any person or organization other than the applicant, then the name, address and telephone number of that person or organization must be provided;
  - (3) The date(s) and hours for which the permit is requested;
  - (4) An estimate of the anticipated attendance;
  - (5) The type of sound system, if any;
  - (6) The special effects or features, if any (for example bands)
  - (7) Whether the function sponsored is for profit or nonprofit;
  - (8) Whether goods will be sold or fees charged.
  - (9) Whether the applicant is a resident of the City of Cumby, Texas;
  - (10) Any requested site support for the permitted activity, including the need for additional sanitary and refuse facilities;
  - (11) Any additional information required by the city for organizational, health, safety and welfare purposes of the city related to the size and nature of the event.
- (b) City of Cumby Park and Reservation Permit applications and/or City of Cumby Special Use Permits shall be filed with the city for consideration not less than fifteen (15) business days nor more than three hundred sixty-five (365) days before the date of the proposed use or activity, except as otherwise provided in the rules and regulations of the City of Cumby or if waived in writing by the City. The city shall evaluate the

application and render a decision in accordance with section 1.06 within five (5) business days of receipt of such request.

**Section 1.06.001 Reason for City of Cumby Park Reservation Permit Denial**

- (a) Upon receiving such written application, the City Representative must grant a written permission to use the designated park facility unless:
  - (1) The proposed activity or use of the park facility will unreasonably interfere with or detract from the general public use and enjoyment of the park facility; or
  - (2) The proposed activity or use of the park facility will unreasonably interfere with or detract from the public health, safety or welfare; or
  - (3) The park facility requested by the applicant has been reserved for another activity or for use at the day and hour requested in the application; or
  - (4) False or misleading information is contained in the application or required information is omitted; or
  - (5) The proposed activity or use would violate any federal, state, or municipal law; or
  - (6) The nature of the proposed activity or use, equipment needed for the event, and/or level of attendance would likely cause unreasonable or undue environmental damage to the park facility; or
  - (7) The applicant submitted the application fewer than fifteen (15) days prior to the requested date of use of the Public Park where extra support requested from the City cannot be obtained, or
  - (8) The applicant refuses to pay any applicable fees imposed by the City pursuant to this Article, section 1.08
- (b) The City Representative may impose reasonable conditions or restrictions on the granting of a City of Cumby Park Reservation Permit including but not limited to any of the following:
  - (1) A requirement that the applicant post a higher refundable security deposit as determined reasonable for the repair of any damage to the park facility or the cost of clean-up or both. The amount of the refundable security deposit shall be based upon the nature, attendance, and duration of the permitted activity;
  - (2) A requirement that the applicant pay a fee as set to defray the cost of furnishing adequate city personnel at the proposed use of activity;
  - (3) A requirement that the applicant must submit a written proposal for security and obtain the City Representative's approval thereof prior to the event and/or Public Gathering if the City Representative determines that the use of a Public Park for an event may reasonably cause severe injury to persons or property

or create a riot or disturbance detrimental to the health, safety and welfare of the public.

**Section 1.06.003 Reason for Permit City of Cumby Park Reservation Revocation**

The applicant failed to provide a copy of the Bounce House Insurance Policy within the allotted time frame.

**Section 1.06.002 Procedure of City Representative upon Permit Denial**

If the City Representative denies the permit, then the City Representative must notify the applicant of the denial and the reasons thereof by letter mailed to the applicant within five (5) business days of the date of the receipt of the application. Such letter shall be addressed to the applicant at the address provided on the application. If the City Representative fails to mail such a letter within such 5-day period, such failure shall be deemed a granting of permission to use the Public Park area or facility as requested. If the denial is based upon Subsections 1.06.001 above, the City Representative shall advise the applicant of alternate Public Park areas, if any, capable of handling a Public Gathering of the requested size and nature.

**Section 1.07 Collection and Disposition**

The fees established in this article shall be collected by the city and upon receipt thereof shall be credited to the appropriate funds of the city.

**Section 1.08 Park Reservation Refundable Security Deposit, Park User Fees and Special Use Permits**

- (a) Different fees may be established for residents, nonresidents and those residents who can show proof of living in Section 8 housing.
  - (1) There will be a refundable security deposit in the amount of:
    - (a) Cumby resident \$50.00.
    - (b) Non-Cumby resident \$75.00
    - (c) Resident in Section 8 housing \$25.00
  - (2) Park User Fee
    - (a) Cumby resident \$25.00
    - (b) Non-Cumby resident \$25.00
    - (c) Section 8 Cumby resident \$0.00
  - (3) Special Use Permits:
    - (a) Bounce house and other Class B Amusement Ride \$25.00. Pursuant to Section 1.04.002(a)(3).
    - (b) Sale of goods and services \$25.00. Pursuant to Section 1.04.002(a)(1)(a)(b).
    - (c) Sound Amplification \$25.00. Pursuant to Section 1.04.002(a)(2)(a).
  - (4) The City Representative may waive any and all fees for any city-sponsored or cosponsored function or event. For purposes of this Section, the City Representative is authorized to declare "city sponsorship."

- (b) Any and all fees and charges for park use including but not limited to, pavilions, shade structures, facility, or recreation area concessions, rentals, admissions, vending licenses and permits, as well as athletics and recreation classes sponsored by the City or a private vendor may be established by the City Council. A copy of the schedule of Park fees, if any, shall be maintained for public inspection in the office of the City Secretary.
- (c) All fees must be paid at the time of booking. Park User Fees or special permit fees are not refunded for cancellations. The refundable reservation deposit will be refunded within three weeks of the reservation date provided there has been compliance with all park rules.

**Section 1.09                      Determination of Reservations**

- (a) Reservations shall be on a first-come, first-served basis. The city Secretary shall cause all completed written applications with full payment received to be immediately time-stamped upon their actual receipt by his or her office. Pursuant to Sections 1.05 and 1.06.
- (b) If two (2) or more conflicting applications are received simultaneously, then preference shall be as follows:
  - (1) From a Cumby resident and a non-resident then precedence shall be given to the Cumby resident.
  - (2) If two (2) or more Cumby residents, then the precedence shall be determined by an impartial means of chance.
  - (3) If two (2) or more non-Cumby residents, then the precedence shall be determined by an impartial means of chance.

**Section 1.10                      Duties and Responsibilities, Authority of the City Representative**

- (a) It shall be the duty of the City Representative to direct, control and manage all Public Parks, playgrounds and recreational buildings and other improvements on park and playground property belonging to or under the control of the City and such other grounds as may be placed under the City Representative's control from time to time by the Mayor and City Council, and to direct the improvement and maintenance of all such properties.
- (b) The City Representative shall have authority to prescribe written rules and regulations for the administration or an orderly government and use of the Public Parks, provided that such regulations do not conflict with valid laws or ordinances. A copy of such rules and regulations limitation, the City Representative is authorized to include provisions that govern the use of Public Parks by the public and may prescribe such rules and regulations that promote the healthful and generalized use of Public Parks.

- (c) The City Representative or his or her designee is hereby authorized and directed to erect and place appropriate signs in areas of Public Parks to inform persons:
- (1) Where parking is allowed.
  - (2) Where motor vehicles, motorized equipment or other vehicles may be operated.
  - (3) Where motor vehicles, motorized equipment, other vehicles and/or trailers are prohibited.
  - (4) Hours of operation for a Public Park.

**SECTION 2.** All ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

**SECTION 3.** Any person who shall intentionally, recklessly or with criminal negligence, violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be fined in an amount not to exceed \$500.00. Each day of violation shall constitute a separate offense.

**SECTION 4.** In the event any section, paragraph, subdivision, clause, phrase, provision sentence, or part of the Ordinance or the application of same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City, Council of the City of Cumby, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

**SECTION 5.** All rights and remedies of the City of Cumby, Texas are expressly saved as to any and all violations of the provisions of any Ordinances affecting and which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

**SECTION 6.** This Ordinance shall become effective upon passage, in accordance with law.

**DULY PASSED AND ADOPTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Douglas Simmerman, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
Codi Reynolds, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Edgar J. Garrett, Jr., City Attorney

## PARK SPECIAL USE PERMIT

Permit # XXXXX

[NAME]

BY SIGNATURE of the City Representative, or his or her designee, the following CHECKED ITEMS HAVE BEEN APPROVED. Items noted as "NA" have not been approved.

\_\_\_\_\_ In accordance with the City of Cumby Ordinance 2019-10-001, Section 1.04(3)(a), Public Gathering.

\_\_\_\_\_ Waiver of the City of Cumby Ordinance 2019-10-001, Section 1.04(a)(1)-(c), Sale of goods and services.

\_\_\_\_\_ Waiver of the City of Cumby Ordinance 2019-10-001, Section 1.04(2)(a)(b), Sound Amplification.

\_\_\_\_\_ In accordance with the City of Cumby Ordinance 2019-10-001, Section 1.04 (4), Class B Amusement Ride, aka, Bounce House

**INSURANCE REQUIREMENTS:**

You must provide insurance coverage for the day of the event with general liability insurance in an amount not less than \$1,000,000 combined single limit (CSL) and \$2,000,000 general aggregate. The insurance carrier of this policy must be rated "A" or better by A.M. Best's Kay Rating Guide and licensed to do business in the State of Texas. In addition, the policy shall include the City of Cumby, its' officers, agents, employees, and representative as additional insured parties.

A Certificate of Insurance for the required coverage must be submitted to our office three (3) days prior to the event. This insurance should be available from the company from which you are contracting the service. A copy of the insurance may be faxed to our office at (903) 994-

\_\_\_\_\_  
Authorized Signature  
City of Cumby

\_\_\_\_\_  
Date

CITY OF CUMBY PARK RESERVATION

DATE(S) OF RESERVATION: \_\_\_\_\_

TIME REQUESTED: \_\_\_\_\_

APPLICANT NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ CONTACT NUMBER: \_\_\_\_\_

Please circle one: Resident/non-resident/Section 8 resident

RESPONSIBLE PARTY: \_\_\_\_\_ CONTACT NUMBER: \_\_\_\_\_

BRIEF DESCRIPTION OF THE PURPOSE INCLUDING ANY SPECIAL EFFECTS OR FEATURES: \_\_\_\_\_

Estimate of attendees: \_\_\_\_\_ Is this for \_\_\_\_\_ Profit or Non-Profit

Type of sound system, if any: \_\_\_\_\_ Any type of Class B Amusement Ride: \_\_\_\_\_

Will Goods be sold or fees charged: \_\_\_\_\_ yes \_\_\_\_\_ no

Is there any requested site support needed: \_\_\_\_\_

Any additional information: \_\_\_\_\_

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Responsible Party Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Office Signature

\_\_\_\_\_  
Date

Office Use Only

Deposit: \$25 (Section 8 resident) \$50 (Cumby Resident) \$75 (non-resident)

User Fee: \$25 Special Permit: (if applicable) \$25

TOTAL: \_\_\_\_\_

( ) CASH ( ) CHECK # \_\_\_\_\_ DATE PAID: \_\_\_\_\_

**\*\*\* THE CITY OF CUMBY WILL RETURN APPLICANT'S DEPOSIT WITHIN 3 WEEKS AFTER INSPECTION OF THE PARK BY A CITY REPRESENTATIVE. FAILURE TO COMPLY WITH PARK RULES OR FAILURE TO RESTORE PARK'S CLEANLINESS WILL RESULT IN A NON-REFUND OF DEPOSIT AND POSSIBLE LOSING PRIVILEGE OF THE USE OF THE PARK IN THE FUTURE.**

Park Inspection After Event:

\_\_\_\_\_  
Responsible Party Signature

\_\_\_\_\_  
City Representative

Deposit \_\_\_\_\_ Returned \_\_\_\_\_ Not Returned

Reason: \_\_\_\_\_

## DISCLAIMERS

Reservation fees are non-refundable unless due to inclement weather. A reservation may be rescheduled by calling our business office, which can be reached Monday – Friday 8 a.m. until 5 p.m., and requested at least 7 business days prior to the date of the reservation. You will be assessed a \$25 rescheduling fee.

Bounce houses and other amusements require a Park Special Use Permit, additional insurance, a Texas Department of Insurance Amusement Ride Safety Inspection and an additional \$25 special use permit. **YOU MUST HAVE THIS PERMIT IN YOUR POSSESSION DURING YOUR RESERVATION.**

User shall comply with all rules and regulations of the Park Ordinance, City Ordinances as well as all Federal, State and Local laws. Violation of park rules, permit rules or the breaking of this contract may result in suspension of recreation privileges or a fine. If no rule violations occur, deposits will be refunded within 14-21 business days. Deposits paid by credit card are refunded to the same credit card.

- A. The pavilion reserved is accepted as is. No special services will be performed. The reserving party is encouraged to inspect the facility prior to its use.
- B. The size of the group shall not exceed the expected attendance as printed on this permit without written approval from a City Representative.
- C. Alcoholic beverages in any form are prohibited by City Ordinance.
- D. Motorized vehicles are restricted.
- E. All trash must be placed in trash cans. Clean up of the pavilion and park areas used is the responsibility of the individual, organization or business reserving the facility.
- F. All reservations must comply with all other applicable City of Cumby park use rules and regulations as specified by City Ordinance.
- G. Responsibility for damage to, or additional maintenance of, facilities resulting from usage beyond normal wear will be assumed by the individual, organization or business reserving the facility.
- H. The individual, organization or business reserving the pavilion is responsible for the actions of the participants attending the activity/event/function.
- I. The use of loudspeakers, amplifiers, or microphones, is prohibited by City Ordinance, except with the written approval of the City Representative.
- J. Any individual, organization, or business reserving facilities may not use these facilities for profit-making endeavors except with written approval of the City Representative.

**\*\*\*This is not a comprehensive listing of all prohibited activities enumerated by city ordinances, and the language should not be strictly interpreted. Questions or concerns about actual ordinance provision should be directed to the City Representative.**

For more information call the City of Cumby at 903-994-2272.



RG3 Meter Company  
2912 S Access Road  
Longview, TX 75602

Date

10/23/2019

# Quote

Quote #

13587

## Customer

City of Cumby  
P. O. Box 349  
Cumby, TX 75433

Rep

DJH

Project

Qty	Item	Description	Cost	Total
3	PD07GBT	5/8" x 3/4" PD, Gallons, Brass Bottom, Tesla	179.4792	538.44

Quote good for 60 days

903-753-3456

orders@rg3meter.com

**Total**

\$538.44



# Ahuja & Clark, PLLC

## Certified Public Accountants

Tax & Accounting • Business Valuation • Business Interruption

October 15, 2019

Ms. Codi Reynolds  
City Secretary  
City of Cumby, Texas  
100 E. Main Street  
Cumby, Texas 75433

*Via email: [cityofcumby@cumbytel.com](mailto:cityofcumby@cumbytel.com)*

### City of Cumby, Texas Proposal for Forensic Services

Dear Ms. Reynolds;

The City of Cumby, Texas (the "City") has requested a proposal from Ahuja & Clark (A&C) for conducting a forensic examination of the City's financial affairs for the last ten years. During our conversation, we discussed the nature of forensic services and the difficulties in estimating fees without a detailed understanding of the volume and accessibility of the City's records and the number of potential witnesses to be interviewed. Any time there are potential allegations of intentional misconduct, witness testimony is critical. A further consideration impacting the scope of work is the nature of allegations or concerns which tends to increase or decrease the scope and amount of forensic work. Our experience has shown that examining ten years' worth of financial records will be very expensive and possibly not necessary. A more measured approach would be to start with the last 2-3 years to determine if there are any issues. After the completion of that work, the City Council can then make an informed decision regarding expanding the scope to include additional years.

Considering the above variables and/or uncertainties, we propose a two-phase approach. During Phase 1 we will evaluate the volume and accessibility of the City's records and the number of potential witness interviews. We anticipate this scope to take no more than one day with the cost not to exceed \$2,500. At the conclusion of Phase 1, we will provide the City with a detailed work plan and estimated fee budget for your approval. Phase 2 will entail our analysis and investigation.

At the conclusion of Phase 2, a comprehensive report will be provided, suitable for a referral to the appropriate law enforcement agency(s) if deemed necessary. Included will be recommendations for appropriate remedial actions regarding policies and procedures. Sworn testimony will be provided as necessary by team members and subject to a separate engagement.

All information obtained or prepared by A&C in relation to this engagement will be considered confidential. A&C will not disclose to anyone, without your permission, except as may be required by law, regulation, or judicial or administrative process, the content of any oral or written communications received during the course of this engagement, nor any information gained from the inspection of any documents or records related to this engagement. A&C will immediately notify you upon the occurrence of either of the following events: (a) a request by anyone to examine, inspect or copy any documents or records in our possession which relate to this engagement; or (b) a service or attempted service upon Brown of a court order, subpoena, summons or formal or informal request which calls for testimony or production of any documents or records related to this engagement.

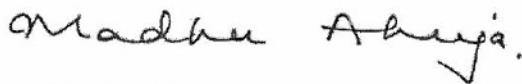
The work papers and other materials created by A&C during this engagement are the property of A&C. All of your documents in our possession will be returned to you upon your request.

Fees for services will be based upon the hours worked by those professionals assigned. The hourly rates, which are discounted as an accommodation to the City, are as follows.

Senior Professional	\$300.00
Sr. Forensic Accountant	\$250.00
Forensic Accountant Staff	\$150.00

Attached for your information are the resumes for our forensic team. Please contact us with any questions.

Sincerely,



Madhu Ahuja  
Ahuja & Clark, PLLC



## William D. Brown, CPA

William Brown has over 40 years of forensic accounting/investigative experience which includes the FBI, a national law firm, a Big 4 accounting firm and a state agency. Mr. Brown's Forensic and Litigation practice specializes in forensic accounting, investigations, litigation support, and compliance and ethics program design and implementation.

Mr. Brown provides forensic accounting, litigation and investigative services to attorneys and their clients. Forensic accounting services include analysis of complex financial transactions or relationships and developing and providing evidentiary support for conclusions. Often times fraud is alleged which complicates the analysis with possible intentional concealment. In-depth witness interviews are required to develop evidence of intentional conduct. Litigation related services include acting as both consulting and testifying expert in matters involving financial controversies, breaches of contract and fiduciary duties and allegations of fraud. Assistance to counsel includes developing effective discovery requests, analysis of complex financial information, providing findings to be used in deposing opponent's principals or experts and providing expert testimony. Mr. Brown also assists corporate clients in developing and monitoring their corporate compliance programs by evaluating internal controls, crafting effective procedures and evaluating compliance. Clients include oil and gas industry, healthcare providers, the insurance industry, corporate security and governmental entities. His investigative reports are routinely provided to law enforcement and prosecutors in support of law enforcement actions.

As a former Special Agent for the Federal Bureau of Investigation, he has extensive experience investigating complex white-collar crime matters, including healthcare fraud, and providing expert testimony. He has lectured for FBI Agents and at various State Insurance Departments on the subjects of forensic accounting and white-collar crime investigations and has also lectured nationally on the subject of healthcare fraud and abuse. Over the course of his 40 year career, he has investigated allegations of fraud or misconduct in a number of governmental and private entities within the financial services, healthcare, energy, public education and construction industries.

Mr. Brown was the court appointed receiver in SEC v. Amerifirst Funding. As receiver, Mr. Brown identified and seized over \$49 million in assets diverted from investor funds by defendants. These assets included real estate in Texas and Honduras, bank and brokerage accounts, auto sales and finance operations, aircraft and exotic cars. Mr. Brown provided expert forensic accounting testimony in the successful criminal prosecution of the two main subjects. Over 60% of the invested funds were returned to the 545 elderly investors. He also provided forensic accounting services in support of the court appointed receiver in SEC v. Gemstar which involved a group of 23 investors with over \$23 million invested. Mr. Brown oversaw the investor claims process and the plan of distribution.

Mr. Brown previously oversaw Medicaid reimbursement and fraud investigations for a state Medicaid Agency, as a licensed attorney in a national law firm, he lead the Investigations Practice Group, working on cases involving insurance company insolvency for state regulators. He also practiced in the Healthcare Regulatory Group with a Big 4 Accounting firm overseeing a number of regulatory and enforcement investigations on behalf of the firm's clients. As a forensic accounting expert, he was engaged by one of the world's largest retailers as the testifying expert in litigation where the client was accused of committing widespread fraud and violations of the civil RICO statute. The client received a directed verdict in its favor on all fraud related claims.

## EDUCATION

Bachelor Degree in Accounting, 1976  
*Arizona State University*

Juris Doctor Degree (with Distinction), 1990  
*University of Oklahoma*

## PROFESSIONAL MEMBERSHIPS

Texas City Attorneys Association  
Certified Public Accountant – Texas  
Licensed Attorney, State of Texas  
American Institute of Certified Public Accountants  
Texas Society of CPAs  
Texas Bar Association  
Dallas Bar Association  
National Association of Federal Equity Receivers (Full Member)  
Society of Former Special Agents of the FBI

## PROFESSIONAL EXPERIENCE

### **W. D. Brown & Associates, Dallas, Texas**

**July 2017 – Present**

Provides forensic accounting/litigation support services regarding a variety of matters, including healthcare providers, false claims act, bankruptcy related Ponzi scheme, residential contractors and food wholesalers. Provide expert testimony regarding forensic/investigative matters.

### **Managing Director, FTI Consulting, Inc., Dallas, Texas**

**December 2015 – June 2017**

Provided forensic accounting/investigative services to a variety of clients, including public university, healthcare provider and a wholesale grocery company. Provided expert sworn testimony regarding damages and causation.

### **Partner-Weaver LLP, Dallas, Texas**

**September 2005–December 2015**

Partner-in-Charge of the Forensic/litigation practice for the largest regional CPA firm in the southwest. Was appointed receiver by United States District Court for the Northern District of Texas in SEC v. Amerifirst Funding, Inc., et al, July 2, 2007. The receivership involved over 540 investors primarily from Florida and Texas who had invested in excess of \$60 million. As Receiver was involved in the identification and marshalling of over \$58 million in assets, including used car dealerships, sub-prime auto finance operations and real estate. Managed four major investigations involving public school districts in Texas resulting in referrals to law enforcement. Investigated the embezzlement of over \$6 million in repatriated funds, tracing the funds through a maze of 16 bank accounts. Over \$770,000 was traced to would be hit men hired to murder culprit's wife.

**Shareholder-Brown & Nelson, P.C., Dallas Texas**

**November 1996–August 2005**

Provided forensic accounting services including litigation related services and internal investigations. Testifying expert on behalf of major retailer which was sued by a supplier for breach of contract, fraud, conversion, and usury. A directed verdict was granted by the U.S. District Court on the fraud, conversion and usury claims while the contract claim was settled prior to jury deliberation. Testified on behalf of plaintiff against the third-party administrator of its health and benefit plan. Claims included ERISA, breach of contract and fiduciary duty. The case settled during trial. Testifying expert on behalf of County Government in breach of contract action against regional healthcare system in regard to providing indigent health care to county residents. On behalf of corporate clients, conducted internal investigations regarding alleged fraud, malfeasance and non-compliance. Clients include healthcare providers.

**Director, Fraud Investigations Practice, Coopers & Lybrand, Dallas, Texas**

**February 1994–October 1996**

Concentrated in fraud and financial related investigations for a variety of clients. Investigations included allegations of vendor fraud, land procurement irregularities and embezzlements. Also worked with the Healthcare Regulatory Group in the area of healthcare fraud and abuse and compliance programs. Engagements included the defense of allegations involving the False Claims Act, Stark Act (Anti-kickback Act) and compliance reviews stemming from national audit initiatives by the DHHS Office of Inspector General. Provided training to other professionals in the area of fraud investigations.

**Principal, Hankin & Co., Dallas, Texas**

**February 1993–January 1994**

Provided forensic accounting and litigation support services to attorneys and their clients. Worked on behalf of the Receiver for Blue Cross & Blue Shield of West Virginia in pursuit of a professional malpractice claim against its independent auditors.

**Associate-Arter & Hadden, Dallas, Texas**

**September 1990–January 1993**

Headed the Investigations Practice Group of this nationally based law firm. Engagements dealt with allegations of fraud and misconduct, and corporate compliance, and included several on behalf of the California Department of Insurance. Other cases involved healthcare fraud and abuse and compliance. Due to work in the area of insurance insolvency fraud, was asked to provide related investigation training to the FBI and various State Insurance Departments.

**Law Student and Medicaid Reimbursement Consultant, Oklahoma City**

**August 1987-May 1990**

While attending law school at the University of Oklahoma provided consulting services regarding Medicaid reimbursement to the Oklahoma Department of Human Services and the Oklahoma Nursing Home Association.

**Senior Manager, Audit and Review Division, Oklahoma Department of Human Services**

**January 1986-July 1987**

Managed the auditors and investigators assigned to monitor all programs administered by a state agency with a billion-dollar budget. Responsible for Medicaid fraud investigations and provider audits used to establish negotiated Medicaid reimbursement rates.

**Partner, Fine & Brown, CPAs, Edmond, Oklahoma**

**May 1984-December 1985**

Conducted Medicaid Provider cost reimbursement audits and consulted with the Oklahoma Department of Human Services on Medicaid reimbursement rates for hospitals and nursing homes. Provided consulting services to the U.S. Department of Justice on a major Medicaid fraud investigation involving a skilled nursing home in Oklahoma.

**Special Projects, Finance Office for the Oklahoma Teaching Hospitals, Oklahoma City  
December 1981– April 1984**

Medicare Cost Report preparation, billing and collection, and conversion to case mix for reimbursement rates. Reviewed the reasonableness of expenses for the named plaintiffs in their suit to overturn Oklahoma's prospective Medicaid reimbursement rates in 1983.

**Federal Bureau of Investigation**

**May 1972 – December 1981**

Starting in 1974 provided forensic accounting support on major land fraud investigations in the Phoenix Division. Promoted to Special Agent in November 1977 and assigned to the Oklahoma City Division and focused on Medicaid fraud cases. Transferred to the Detroit Division December 1980 and worked on various white-collar crime cases.

**RECENT SIGNIFICANT CASES**

- **United States v. Michael Herman, et al**  
Performed forensic examination of schedules prepared by Internal Revenue Service and supporting bank and other financial records. Testified regarding amounts improperly included in Total gross Receipts by the IRS and Defendant's CPA/Tax Preparer.
- **City of Fairfield, Texas**  
Conducted a comprehensive examination of major accounting functions and systems in order to identify weaknesses or problems. Reported on issues identified and recommended appropriate corrective actions.
- **State Bar of Texas**  
Performed a forensic examination of previously reported theft of over \$500,000 by former employee. The examination involved identifying how the theft occurred and was successfully concealed for several years. I further analyzed the effectiveness of procedural changes taken by the Bar in the aftermath of the theft. I reported my findings to the Bar's Board of Directors.
- **Securities and Exchange Commission v. 4D Circle LLC, et al.**  
Provided forensic accounting services to Court appointed receiver. Analyzed financial information relating to the business and prepared quarterly status reports for the Court, including profit and loss, balance sheet and equity. Services are ongoing.
- **Siragusa v. Rajpal, et al**  
Acted as Court appointed receiver in a state court action. Took control of an online retail business during the pendency of a lawsuit. Managed the daily operations, including online sales, receiving product and shipping purchases. During the 6 months acting as receiver, turned monthly net losses into net profits.
- **Estate of Brian Loncar**  
Hired by the executor of the estate to identify over \$15 million in assets diverted by family members and employees. Analyzed computerized financial records covering a 5-year period, many of the files were corrupted and had to be reconstructed. Assisted the executor in recovering estate assets.
- **Beaumont Independent School District**  
Investigated allegations of fraud involving the proceeds of a \$388 million bond program by an independent school district in southeast Texas. The investigation involved the detailed analysis of over 40 construction projects, focusing on procurement practices and

performance of the contractors and subcontractors. As a result of the investigation, referrals were made to the joint local and federal task force investigating the school district.

- **Plano Independent School District**  
Investigated a scheme between an outside vendor and District personnel to defraud the District by submitting over \$2.7 million in bogus invoices for repairs and maintenance of the District's fire safety system. Our investigative results were provided the FBI which prosecuted the individuals involved.
- **El Paso Independent School District**  
Investigated allegations of a widespread scheme by top administrators to avoid federal and state accountability standards. The investigation involved the interview of over 150 administrators and teachers and the analysis of over 30,000 District records. As a result, the Texas Education Agency instituted procedures to revoke the teaching certifications of 55 teachers. Our investigation provided the basis for the criminal prosecution of at least 7 former District Administrators and employees. I provided expert testimony for the U.S. Department of Justice in its trial of 5 defendants.
- **Securities and Exchange Commission v. Gemstar, et al.**  
Provided forensic accounting services to Court appointed receiver regarding a \$23 million estate. Identified assets belonging to the estate and traced investor funds through a series of bank accounts. Analyzed investor claims which included a number of investor groups each with its own set of investors. Assisted receiver with the Plan of Distribution and determined the amount owed each investor.
- **State of Texas v. John Franklin Howard**  
Identified a \$6 million theft from an international import company by its former CFO. Traced the stolen funds through a maze of 16 bank accounts and identified real estate, charitable contributions, payments to related parties and the payment of over \$775,000 the former CFO paid to individuals to have his wife murdered. Provided testimony at the trial of former CFO for the criminal solicitation of capital murder for which he was convicted and sentenced to life in prison.
- **Securities and Exchange Commission v. AmeriFirst Funding, Inc., et al.**  
Appointed Receiver by the U.S. District Court for the Northern District of Texas. Managed a \$40,000,000 estate which included four car dealerships, a portfolio of sub-prime auto loans and real estate in Texas and Honduras. The case involves over 540 investors who purchased over \$60,000,000 worth of investments from the defendants.
- **Range Resources**  
Led a team of 10 investigating allegations of bribery and kickbacks paid to drilling supervisors working on \$1B drilling program in the Marsalis Shale in Pennsylvania, New York, West Virginia and Ohio. Investigation lasted 10 weeks. Confirmed allegations and reported to Company.
- **Berkley Risk Administrators of Texas v. Texas Political Subdivisions**  
This was a breach of contract case involving a third-party administrator. In support of the defendant's counter-claim, we analyzed the financial reporting requirements under the administrative services agreements and the plaintiff's performance. We opined regarding the malfeasance in the performance of plaintiff. The case resulted in a multi-million dollar settlement for the defendant.

- **Guild Manufacturing, Inc. v. J. C. Penney Co**  
This case was a breach of contract case involving the Electronic Trading Partner agreement between the plaintiff supplier and J. C. Penney. The plaintiff also alleged fraud, conversion, usury and included a RICO claim. We testified regarding the contract damages and the other claims. At trial, the Judge directed a verdict in favor of J. C. Penney on the RICO, fraud, conversion and usury claims. The contract claim was settled.
- **Guardsmark, Inc. v. Blue Cross & Blue Shield of Tennessee**  
This was a breach of contract case involving a third-party administrator for a self-funded health and benefit plan. On behalf of the plaintiff, we analyzed the performance of the defendant under the administrative services agreement and the fees charged. The case was settled.
- **Johnson County v. Harris Methodist Affiliated Hospitals, et al**  
This case involved the contract between Johnson County and Walls Regional Hospital for the provision of indigent healthcare to county residents. On behalf of the Johnson County we analyzed defendant's performance under the contract, including the eligibility determinations for over 9,000 patients. We testified as to damages and the case was settled.
- **United States v. Loes Highport, Inc. et al**  
On a consulting basis, we provided an analysis the lease agreement between the United States Army Corps of Engineers and defendant. Our damage model incorporated the lease requirements with the operating information from the defendant.

## LECTURES - FRAUD AND FORENSIC ACCOUNTING

- FBI Academy (Five lectures on Insurance Insolvency Fraud, 250+ FBI agents) - September 1992 to December 1994
- Florida Insurance Department - 1994
- National Association of Insurance Commissioners - August 1993
- Oklahoma Insurance Department - 1992
- Pennsylvania Insurance Department - May 1995
- Tennessee Insurance Department - 1993, 1994
- Texas Insurance Department - April 1995
- Numerous lectures at state universities on forensic accounting and fraud detection.
- Numerous lectures to independent school districts on forensic accounting and fraud detection.

## ARTICLES

- "Fraud vs. The Auditor: No Contest", Spring 2006 (Weaver Insights)
- "War on Health Care Fraud Spreads to North Texas," *Dallas Business Journal*, May 12, 1995.
- "Healthcare Fraud: The Saga Continues," *Interlocutor - A Publication of the Dallas-Fort Worth Hospital Council*, May/June, 1995.
- "Insurance Fraud Surge Challenges the Justice System," *Business Insurance*, February 21, 1994.
- "Investigation and Prosecution of Insurance Fraud," *Insurance Fraud Manual*. 1992.



## Madhu Ahuja, CPA, CVA, CFE

Ms. Madhu Ahuja is the President and Owner of Ahuja & Clark, PLLC.

Madhu is a Certified Public Accountant, Certified Valuation Analyst and a Certified Fraud Examiner with more than 22 years of experience. She provides guidance on financial investigations, litigation services, business valuations, economic damages, and forensic accounting.

Madhu assists with analysis of complex financial transactions, tracing assets, reviewing financial statements, developing and supporting financial models for damages claims/valuations, and analyzing damages reports for rebutting valuation models/damages claims from opposing parties. She regularly assists clients with business disputes and litigation matters and has been engaged by counsel to provide investigations, analysis, and expert opinions regarding these matters.

Madhu is a member of The American Institute of Certified Public Accountants, The Texas Society of Certified Public Accountants, National Association of Certified Valuators and Analysts, Association of Certified Fraud Examiners.

### EDUCATION

Master of Science - Management & Administrative Sciences  
*The University of Texas at Dallas, Richardson, TX*

Post Graduate Diploma in Business Administration, Finance  
*Institute of Productivity Management, Kanpur, India*

### CERTIFICATIONS

Certified Public Accountant, Texas  
Certified Valuation Analyst  
Certified Fraud Examiner

### PROFESSIONAL EXPERIENCE

Ahuja & Clark, PLLC	2003–Present
Pricewaterhouse Coopers, LLP	1996-2002

### SERVICE EXPERTISE

- Forensic Accounting Services
  - Investigation of fraud allegation
  - Monetary loss fraud investigations
  - Discover and reporting of misappropriation of funds
- Business Valuations
  - Partner buy-outs
  - Medical practices
  - Franchises
  - Minority discount calculation
  - Marital dissolution



- Gift tax returns & estate taxes
- Economic Loss Assessment
  - Economic damage quantification in breach of contract
  - Economic damage of business interruption
- International Tax Compliance
- Audit of Financial Statements
  - Audits of title company for Texas Department of Insurance
  - Audits of nonpublic companies
- Review and Compilation of Financial Statements
  - Preparation of detailed reports, professional presentations, and training
  - Detailed analysis of cash balances and other assets to discover irregularities
  - Understanding of complex financial transactions
- Tax Compliance & Special Reporting
  - Federal compliance, including corporations and foreign entities
  - Multi-state tax
  - State tax apportionment calculations
  - International compliance, including Forms 5471 and IRS amnesty programs
- Tax Research
  - Corporate reorganizations
  - Multi-state sales & use tax
  - State nexus rules
  - Taxation of shareholders
  - Joint ventures
- State Income Tax Audit Management & Support
  - Information document requests
  - Drafting of responses to states
  - Research of tax issues
- Advanced Financial Analysis
  - Net present value
  - Internal rate of return
  - Financial ratios
  - Cost of capital
  - Discounted cash flow applications
- Accounting for Income Taxes
- Industry Analysis

## **PROFESSIONAL MEMBERSHIPS/POSITIONS**

National Association of Women Business Owners, Dallas Chapter  
*(Treasurer & Board Member, 2013-2014)*

The Indus Entrepreneurs, Dallas Chapter  
*(Treasurer & Board Member, 2012-2014)*

3060 Communications Parkway Medical Plaza Owners Association  
*(Treasurer & Board Member, 2007-2010)*

Montessori New Beginnings Academy  
*(Board Member, 2006-2013)*

Member of American Institute of Certified Public Accountants (AICPA)

Member of National Association of Certified Valuators and Analysts (NACVA)

Member of Association of Certified Fraud Examiners (ACFE)



# Stacey Huser

Accounting Manager

shuser@ahujaclark.com

(469) 467-4660

Stacey Huser is the Manager of the Accounting department for Ahuja & Clark, PLLC, overseeing the forensic, audit, and general accounting areas of the practice. Stacey's background includes over 20 years of accounting experience in both public & private accounting. She assists with reviewing financial statements, asset tracing, and analysis of complex financial transactions.

## EDUCATION

Bachelor of Science - Accounting

*Oklahoma State University, Stillwater, OK*

## PROFESSIONAL EXPERIENCE

Ahuja & Clark, PLLC	2016–Present
Aly Centrifuge, Inc.	2014-2016
Quest Events, LLC	2012-2014
Ahuja & Clark, PLLC	2007-2012
Ritchie Bros. Auctioneers (America) Inc.	2002-2005
MCS	1998-2001

## SERVICE EXPERTISE

- Forensic Accounting Services
  - Tracing and characterization of assets
  - Investigation of fraud allegation
  - Monetary loss fraud investigations
  - Discover and reporting of misappropriation of funds
- Economic Loss Assessment
  - Economic damage of business interruption
  - Business Interruption Calculation Covered by Insurance Policy
- Audit of Financial Statements
  - Audits of title company for Texas Department of Insurance
  - Audits of nonpublic companies
- Review and Compilation of Financial Statements
  - Preparation of detailed reports, professional presentations, and training
  - Detailed analysis of cash balances and other assets to discover irregularities
  - Understanding of complex financial transactions
- Tax Compliance & Special Reporting
  - Multi-state tax
  - State tax apportionment calculations
- Tax Research
  - Multi-state sales & use tax
  - State nexus rules



- Audit Management & Support
  - Information document requests
  - Drafting of responses to states
  - Research of tax issues
- Advanced Financial Analysis
  - Net present value
  - Internal rate of return
  - Financial ratios
  - Cost of capital
  - Discounted cash flow applications
- Accounting
  - Intercompany consolidations
  - Payroll processing and reconciliations
  - Budgeting and variance analysis
  - Software implementation
  - Acquisition integrations

## **PROFESSIONAL MEMBERSHIPS/POSITIONS**

Member of Association of Certified Fraud Examiners (ACFE)

ORDINANCE NO. 2019-11-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUMBY TEXAS TO ADOPT THE SULPHUR SPRINGS NEWS TELEGRAM AS THE OFFICIAL CITY NEWSPAPER.

WHEREAS, the City Council of the City of Cumby, Texas has determined the need to adopt an official city newspaper for the year 2019; and

WHEREAS, the City Council of the City of Cumby, Texas has determined that the designation of the official newspaper for the City of Cumby is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CUMBY, TEXAS:

SECTION 1. That the Sulphur Springs News Telegram be adopted as the official newspaper for the City.

SECTION 2. All Ordinances or parts of Ordinances in conflict herewith are repealed to the extent of conflict only.

SECTION 3. That if any section, provision, subsection, paragraph, sentence, clause, phrase, or word in this Ordinance or application thereof to any person or circumstance is held invalid by any court of competent jurisdiction, such holdings shall not affect the validity of the remaining portions of this Ordinance, and the City Council of the City of Cumby, Texas hereby declares it would have enacted such remaining portions, despite such invalidity.

SECTION 4. This Ordinance shall be in full force and effect immediately upon its passage and approval.

PASSED AND APPROVED, this the 12<sup>th</sup> day of November, 2019.

ATTEST:

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Mayor

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City Secretary

**cityofcumby@cumbytel.com**

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**From:** "News-Telegram Classifieds" <classifieds@ssnewstelegram.com>  
**Date:** Wednesday, October 16, 2019 3:24 PM  
**To:** <cityofcumby@cumbytel.com>  
**Subject:** Legal Prices

As we discussed over the phone, one run (Saturday),

1x4 = 56.00

2x4 = 112.00

3x4 = 168.00

And then anything larger I can build the legal for you and give you the exact pricing for it. If you send the information over. Hope this helps.

--

Thank You,  
Sarah Scott  
Classified's Ad Consultant

(903) 885-8663 P

(903) 885-8768 F

\*\*\*Please send all public/legal notices in a word document so it can be edited into an ad\*\*\*

AFFIDAVITS ARE DISTRIBUTED AT THE END OF THE MONTH

THE CITY OF CUMBY, TEXAS

VS.

THE REAL PROPERTY KNOWN AS  
216 TARRANT STREET, CUMBY, TEXAS

DEMOLITION ORDER

On the 12<sup>th</sup> day of November, 2019, a hearing was held in the Council Chamber of City Hall of the City of Cumby, Texas, by the City Council, sitting as the Housing Board, to determine whether the property located at 216 Tarrant Street in the City of Cumby, Texas, should be declared a dilapidated and dangerous structure.

The parties appearing were: Edgar J. Garrett, Jr., City Attorney; Douglas Simmerman, Mayor/Housing Inspector; and Councilmembers acting as Tribunal.

The Tribunal having called for interested parties finds that no one announced present.

The Tribunal finds that notice was posted giving notice of the violation of the Dilapidated and Dangerous Building Ordinance of the City of Cumby, Texas, and no improvement was made on the property.

The Tribunal further finds that the taxing authorities holding title have no objection and are in agreement to the demolition.

The Tribunal finds that voluntary repair of the structure at the location stated above in order to bring it into compliance with the Dilapidated and Dangerous Building Ordinance has not been made.

IT IS THEREFORE ORDERED by this Tribunal that the property located at 216 Tarrant Street in the City of Cumby, Texas, is hereby declared to be in violation of the Dilapidated and Dangerous Building Ordinance and is a danger to the public.

IT IS FURTHER ORDERED that the Mayor of the City of Cumby, Texas, is hereby authorized to order the property cleared and the dangerous condition corrected. The Mayor is further authorized to execute the necessary instruments to place a lien against the said property in an amount equal to the cost of clearing or correcting the dangerous condition.

Entered this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
DOUGLAS SIMMERMAN, MAYOR

ATTEST:

\_\_\_\_\_  
City Secretary (seal)

**House Bill 2840: Public Comment on Agenda Items**  
Zindia Thomas, TML Assistant General Counsel  
July 2019

**What is H.B. 2840?**

House Bill 2840 by Representative Terry Canales (D – Edinburg) is effective date of September 1, 2019. The bill amends the Texas Open Meetings Act to provide that “a governmental body shall allow each member of the public who desires to address the body regarding an item on an agenda for an open meeting of the body to address the body regarding the item at the meeting before or during the body’s consideration of the item.” Before the passage of the bill, the public had only the right to observe, rather than speak at, an open meeting of a governmental body.

**What right does the public have to speak on a particular agenda item?**

The public has the right to speak on each item on the agenda at an open meeting of all governmental bodies as defined by the Open Meetings Act, except for state agencies. Tex. Gov’t Code § 551.007(a).

**When does the public have the right to speak on items on the agenda of an open meeting?**

The governmental body must allow the public the right to speak on items on the agenda either at the beginning of the meeting or during the meeting when the agenda item is being considered by the governmental body. *Id.* § 551.007(b).

**Is a governmental body allowed to adopt reasonable rules on the public’s right to speak?**

Yes. A governmental body may adopt reasonable rules concerning the public’s right to speak at an open meeting. *Id.* § 551.007(c). The rules may include how long the person can address the governmental body on a given item. If the person addressing the governmental body needs a translator, the governmental body is required to allow at least twice the normal amount of time for the non-English speaker to address the body. *Id.* § 551.007(d).

**May the governmental body still allow the public to ask questions about items not on the agenda?**

The governmental body may decide to allow the public to ask questions about items not on the agenda. If the governmental body allows the public to ask questions about items not on the agenda, the governmental body can still apply reasonable rules regarding the number, frequency, and length of presentation, but it cannot discriminate against speakers. The governmental body will not be able to deliberate on any item that is not on the agenda. For such an item, the governmental body may either: (1) make a statement of fact regarding the item; (2) make a statement concerning the policy regarding the item; or (3) propose that the item be placed on a future agenda. *Id.* § 551.042.

**May the governmental body prevent the public from criticizing the governmental body or actions of the governmental body?**

A governmental body may not prohibit public criticism of the governmental body, including criticism of any act, omission, policy, procedure, program, or service. However, the bill “does not apply to public criticism that is otherwise prohibited by law.” *Id.* § 551.007(e). What public criticism is prohibited by law remains to be seen. Defamation would probably fall under that prohibition. In any case, a city should be able to enforce a decorum policy for public speakers, so long as it doesn’t prohibit criticism.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF CUMBY, TEXAS ESTABLISHING RULES GOVERNING PUBLIC COMMENTS AT CITY COUNCIL MEETINGS; PROVIDING A SEVERABILITY CLAUSE, EFFECTIVE DATE, AND OPEN MEETINGS CLAUSES; AND PROVIDING FOR RELATED MATTERS.**

**WHEREAS**, the Texas Legislature adopted House Bill 2840 providing for the right of members of the public to address the governing body at an open meeting of the governing body; and

**WHEREAS**, the City Council desires to establish rules governing public comments to implement requirements of HB 2840 and to address the timing of public comments for certain briefing workshop sessions and workshops.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CUMBY, TEXAS:**

**SECTION 1. Findings of Fact.** The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

**SECTION 2. Public Communications.**

1. Generally.

- a. Members of the public appearing before the city council may make a presentation at the beginning of the meeting under the agenda item "public comments." A required sign-in form will be provided for those wishing to address the council. In addition, upon being recognized by the mayor, members of the public may make comments or statements regarding specific agenda items when such items are first called by the mayor, prior to the beginning of discussion and deliberation among the council members.
- b. For briefing workshop sessions or workshops that immediately precede a council meeting at which the items considered at the briefing session or workshop are posted for action at the following meeting, public comments on any items that are the subject of the briefing workshop session or workshop shall take place during the next meeting as provided in subsection (a) above.
- c. Members of the public wishing to read a letter from another member of the public will be allowed only three (3) minutes to read the letter and address

their own comments. Once the period of public statements and comments on an agenda item has concluded and council discussion begins, members of the public shall not interrupt the discussion and deliberation of business by the council. The city council, by majority vote, may reopen such agenda item for public comment and discussion.

2. Time Limits. Except as waived or otherwise authorized by a vote of the city council, the following time limitations shall apply to public communications:
  - a. Members of the public signing up to speak at the beginning of council meetings under the item "public comments" shall, upon being recognized by the mayor, have three (3) minutes to address the city council. No member of the public shall speak more than one time per meeting under the agenda item for public communications, nor have more than three (3) minutes unless approved by majority vote of the council. Members of the public may provide any additional comments or information in writing to the council.
  - b. Except as provided in subsection (c) below, members of the public shall, when recognized by the mayor, have three (3) minutes to address the council regarding the subject of an agenda item then being considered by the city council; provided that a member of the public who addresses the City through a translator shall have six (6) minutes to address the council.
  - c. A person who has made an application then being considered by the council, or who is the sponsor or speaker for a group that requested the agenda item, shall, upon being recognized by the mayor, have six (6) minutes in which to speak on the agenda item.
3. Public Hearings. In order to provide a reasonable opportunity for all interested members of the public to appear and make a comment at public hearings, members of the public will be limited to speaking one time for up to three (3) minutes at each public hearing. Such shall remain in effect and apply to public hearings that are continued and held on more than one date, due to late hours or the need to accommodate the number of members of the public desiring to address the city council at the public hearing. A member of the public may not assign his or her time to any other person. Unless waived by the city council, or unless a member of the city council requests additional information from a person who has previously addressed the council at the public hearing, a member of the public may not speak a second time during each public hearing. Members of the public may file additional comments in writing, together with such documentation as the member of the public deems appropriate, in the record for the public hearing.

**SECTION 3. Conflicting Ordinances.** All ordinances or parts thereof conflicting or inconsistent with the provisions of this ordinance as adopted herein are

hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this ordinance and any other code or ordinance of the City, the terms and provisions of this ordinance shall govern.

**SECTION 4. Severability.** That if any section, provision, subsection, paragraph, sentence, clause, phrase or word in this ordinance or application thereof to any person or circumstance is held invalid by any court of competent jurisdiction, such holdings shall not affect the validity of the remaining portions of this ordinance, and the City Council of the City of Cumby, Texas hereby declares it would have enacted such remaining portions, despite such invalidity.

**SECTION 5. Effective Date.** This Ordinance shall be in full force and effect immediately upon its passage in accordance with the provisions of the Tex. Loc. Gov't. Code.

**SECTION 6. Open Meetings.** It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

**PASSED AND APPROVED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Douglas Simmerman, Mayor

**ATTEST:**

\_\_\_\_\_  
Codi Reynolds, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Edgar J. Garrett, Jr., City Attorney