



# TOWN COUNCIL REGULAR MEETING

Wednesday, August 16, 2023 at 6:00 PM  
Fulton Council Chambers, 201 N. 7th Street

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## AGENDA

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### CALL TO ORDER

**PLEDGE OF ALLEGIANCE – U.S. Flag and Texas Flag**

**OBSERVE A MOMENT OF SILENCE/PRAAYER**

### CITIZENS TO BE HEARD (PUBLIC FORUM)

*Public participation is valued and at this time, comments limited to three (3) minutes will be taken from persons who have signed the Speaker's Card located on the table inside the Council Chambers and delivered to the City Secretary before the meeting begins. Written comments received by submission to the City Secretary in person or emailed to [citysec@fultontexas.org](mailto:citysec@fultontexas.org) by 3:00 p.m. on the day of the meeting, on any subject matter that is not on the agenda, will be read and summarized in the minutes of the meeting. Persons wishing to address the Council and who have registered using the Speaker's Card will have up to three (3) minutes to speak. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda. While civil public criticism is not prohibited; disorderly conduct or disturbance of the peace as prohibited by law shall be cause for the chair to terminate the offender's time to speak.*

### CONSENT AGENDA

*All consent agenda items listed are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.*

- 1. Discuss/Approve/Disapprove** minutes of the Special Budget Workshop Meeting held on August 7, 2023.

### ITEMS FOR CONSIDERATION

- 2. Discuss/Approve/Disapprove** a Resolution authorizing the publication of delinquent taxpayers' names in local newspapers in September 2023.
- 3. Discuss/Approve/Disapprove** request by Phil Salemi for a five (5) foot variance on the rear and side boundary lines of 1008 Dehausa.
- 4. Discuss/Approve/Disapprove** a three percent (3%) raise for the Town of Fulton employees in Fiscal Year 2023 - 2024.
- 5. Discuss/Approve/Disapprove** Engagement Letter - Single Audit with Belt Harris Pechacek for the year ending September 31, 2023.

6. **Discuss/Approve/Disapprove** hiring of a Chief of police for the Town of Fulton Police Department.
7. **Discuss/Approve/Disapprove** hiring of a police officer for the Town of Fulton Police Department.

## **CLOSED SESSION**

*The Town Council may elect to go into closed session pursuant to Chapter 551, Government Code on any Agenda item where appropriate and particularly Sections 551.071 (consultation with attorney) and 551.074 (personnel matters), Government Code.*

## **OPEN SESSION**

*Discuss/Approve/Disapprove any and all action necessary with regard to the preceding matter(s).*

## **ANNOUNCEMENTS**

8. Mayor's Update.
9. The next Regular Fulton Town Council Meeting will be held Wednesday, September 6, 2023, beginning at 6:00 pm.

**EXECUTIVE SESSION - PUBLIC NOTICE** is given that the Town Council may elect to go into executive session at any time during the meeting in order to discuss any matters listed on the agenda when authorized by the Open Meetings Act, Chapter 551, Texas Government Code. If the Council elects to go into executive session regarding an agenda item, the section or sections of the Open Meetings Act authorizing the executive session will be publicly announced by the Mayor. The Council may deliberate and take action in open session on any issue that may be discussed in executive session.

## **ADJOURNMENT**

## **NOTICE**

*This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/729-5533 or by email at [citysec@fultontexas.org](mailto:citysec@fultontexas.org) for further information. Braille Is Not Available. The Town of Fulton reserves the right to convene into Closed Session under Government Code 551.071-551.074 and 551-086.*

## **CERTIFICATION**

*I certify that the above notice of meeting was posted at Town Hall, 201 N. Seventh Street, Fulton, Texas, on Friday, August 11, 2023, at 4:00 p.m., and at the U.S. Post Office located at 301 Cactus Street, Fulton, Texas. I further certify that the following News Media were properly notified of this meeting as stated above: The Rockport Pilot.*

**/S/ Stephanie Garcia, City Secretary**



**TOWN COUNCIL SPECIAL MEETING -  
BUDGET WORKSHOP**  
Monday, August 07, 2023 at 9:00 AM  
Fulton Council Chambers, 201 N. 7th Street

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**MINUTES**

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**CALL TO ORDER**

**PRESENT**

Mayor Kelli Cole  
Mayor Pro Tem Robert Loflin  
Place 3 MaryAnn Pahmiyer  
Place 4 Margo Nielsen  
Place 5 Laura McCorkle

**ABSENT**

Place 2 Chris Garis

**STAFF PRESENT**

Stephanie Garcia, City Secretary  
Matt Olenick, Director of Operations  
Steven Robertson, Comptroller  
Johnny Davis, Building Official  
Hal George, Town Attorney  
John Harrell, Police Chief

Mayor Cole called the meeting to order at 9:00 a.m.

**PLEDGE OF ALLEGIANCE – U.S. Flag and Texas Flag**

Mayor Cole led everyone in the pledges.

**OBSERVE A MOMENT OF SILENCE/PRAAYER**

Mayor Cole led everyone in a moment of silence.

**CITIZENS TO BE HEARD (PUBLIC FORUM)**

*Public participation is valued and at this time, comments limited to three (3) minutes will be taken from persons who have signed the Speaker’s Card located on the table inside the Council Chambers and delivered to the City Secretary before the meeting begins. Written comments received by submission to the City Secretary in person or emailed to [citysec@fultontexas.org](mailto:citysec@fultontexas.org) by 3:00 p.m. on the day of the meeting, on any subject matter that is not on the agenda, will be read and summarized in the minutes of the meeting. Persons wishing to address the Council and who have registered using the Speaker’s Card will have up to three (3) minutes to speak. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda. While civil public criticism is*

*not prohibited; disorderly conduct or disturbance of the peace as prohibited by law shall be cause for the chair to terminate the offender's time to speak.*

No one came forward.

## **BUDGET WORKSHOP**

1. Presentations and general discussion of Hotel Occupancy Tax (HOT) fund request from the Rockport-Fulton Chamber of Commerce.

Shanon Biggerstaff with the Rockport-Fulton Chamber of Commerce introduced herself and referred to the provided application. Mrs. Biggerstaff indicated that the Chamber is asking for an increase due to increases they have incurred from the advertising agency they work with, print creator, and inflation. She further gave a brief explanation of how the Town of Fulton is promoted. Mrs. Biggerstaff asked for any questions from the Council. There were no questions at this time.

2. Presentations and general discussion of Hotel Occupancy Tax (HOT) fund request from the Aransas County Council on Aging.

Debbie Thompson, Director of Operations with the Aransas County Council on Aging introduced herself and gave a brief explanation of what services they provide. Mrs. Thompson indicated they are asking for HOT funds to help with advertising to promote the Bountiful Bowl, which is their largest fund raiser. Councilwoman Nielson noted that she should mention the social activities that are provided for senior citizens. Mrs. Thompson reviewed those events. Mrs. Thompson asked for any questions from the Council. There were no questions at this time.

3. Presentations and general discussion of Hotel Occupancy Tax (HOT) fund request from the Texas Maritime Museum.

Justin Parkoff, Curator with the Texas Maritime Museum introduced himself and thanked everyone for having him. He began with a historical review of the Maritime Museum then went into the review of his presentation and collection of data. Mr. Parkoff asked for any questions from the Council. There were no questions at this time.

4. Presentation and general discussion of proposed FY 2023-24 Budget.

Steven Robertson, Comptroller began with a general overview of the Town's budget and discussed the tax rate for 2023 – 2024. The Town will be enacting a No-New Revenue Tax Rate for the upcoming fiscal year. This would be a slight increase of \$19 for Fulton residents. Mr. Robertson asked for any questions from the Council. There were no questions at this time.

Mr. Robertson used an example of total taxable property value stands at \$500 million, and we're looking to collect \$1 million in property taxes. Currently, we can achieve this with a tax rate of 0.2%.

He reviewed the history of the sales tax for the Town and discussed the possibility of a recession in the coming year.

Mr. Robertson indicated that permit revenue is a large portion of the Town’s revenue. The building permits are beginning to slow; therefore, reflected in our revenue income.

Mr. Robertson discussed the changes in the general fund and noted street maintenance was slightly reduced. This reduction will help forgo a hirer tax rate for the Town’s citizens. He discussed the dispatch cost paid to the City of Rockport and the large increase in that cost. Councilwoman McCorkel inquired as to whether the Town was under contract for the dispatch costs. Mr. George explained that the percentage is based on calls and what comes out of the Town of Fulton. It was noted that the election costs have also increased, we will have a single audit that will be paid in FY 2024, and there will be a three percent cost of living for employees, which is routine. Mr. Robertson also noted that health insurance costs increased by 50%. The mayor and city secretary reviewed the plans and was able to reduce the cost by approximately 30%.

Debt Service: Mr. Robertson indicated that the principal payments increased over time, and we have not issued new debt since 2016.

Police Fund: Mr. Robertson noted that the revenue has increased along with court costs. There were also multiple capital purchases last year.

Sewer: Mr. Robertson indicated that the Town does not have a planned rate increase at this time. He projects to have a four percent increase due to businesses and new homes. It was noted that the interest income has increased, and the Town has healthy reserves. Mr. Robertson mentioned an increase in fuel costs due to prices and additional vehicles. The City of Rockport had previously charged incorrect rates for the Fulton accounts; therefore, those updated fees should produce an increase. It was noted that the budget has increased in order to hire a new sewer employee.

Hotel Motel: Mr. Robertson noted he conservatively budgeted within the hotel motel fund and will adjust once requests are considered by the Council. The fund balance will be projected at approximately \$381,000.00.

FCC: Mr. Robertson noted an increase in revenues due to the phasing out of COVID discounts. He reviewed the routine charges that are paid out of the fund. Ms. Pina mentioned upcoming improvements that are planned for the upcoming year.

**CLOSE BUDGET WORKSHOP**

Mayor Cole closed the budget meeting at 9:44 a.m.

**CONSENT AGENDA**

*All consent agenda items listed are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.*

- 5. Discuss/Approve/Disapprove** minutes of the Regular Meeting held on July 19, 2023.

Motion made by Mayor Pro Tem Loflin, Seconded by Place 5 McCorkle to approve the Consent Agenda as presented.

Voting Yea: Mayor Pro Tem Loflin, Place 3 Pahmiyer, Place 4 Nielsen, Place 5 McCorkle

**ITEMS FOR CONSIDERATION**

- 6. Receive a report from Shelly Stuart, President/CEO, of the quarterly expenditures and activity for the HOT funds for the Rockport-Fulton Chamber of Commerce.

Shanon Biggerstaff with the Rockport-Fulton Chamber of Commerce reviewed the provided report and advertising that takes place for the Town of Fulton. She noted that Hummingbird and Seafair celebrations bring many visitors to the area. Hummingbird is in September. They will be preparing a marketing plan for the Pathways which will include Fulton and have started an editorial in the Pilot that highlights attractions and events. Mrs. Biggerstaff also discussed Geo Cache and the value of it.

**CLOSED SESSION**

*The Town Council may elect to go into closed session pursuant to Chapter 551, Government Code on any Agenda item where appropriate and particularly Sections 551.071 (consultation with attorney) and 551.074 (personnel matters), Government Code.*

Council convened into Closed Session at 9:56 a.m.

**OPEN SESSION**

*Discuss/Approve/Disapprove any and all action necessary with regard to the preceding matter(s).*

Council reconvened into Open Session at 10:16 a.m.

- 7. **Discuss/Approve/Disapprove** the resignation of John Harrell as the Chief of Police.

Mayor Cole asked Chief Harrell to speak. Chief Harrell overviewed his time with the Town. The Council thanked him for his service, accepted his resignation, and recommended the appointment of Ty Gerstenberger as interim chief.

Motion made by Mayor Pro Tem Loflin, Seconded by Place 3 Pahmiyer to accept Chief John Harrell's resignation and to appoint Ty Gerstenberger as Interim Chief of Police.

Voting Yea: Mayor Pro Tem Loflin, Place 3 Pahmiyer, Place 4 Nielsen, Place 5 McCorkle

**ANNOUNCEMENTS**

- 8. The next Regular Fulton Town Council Meeting will be held Wednesday, August 16, 2023, beginning at 6:00 pm.

Mayor Cole informed the Council of the upcoming regular Town Council Meeting. She also noted that the Neighborhood Watch meeting is August 8, 2023, 6 p.m. at the Fulton Convention Center and will be discussing hurricane watch.

**ADJOURNMENT**

There being no further business, Mayor Cole entertained a motion to adjourn.

Motion made by Mayor Pro Tem Loflin, Seconded by Place 5 McCorkle to adjourn the meeting.

Voting Yea: Mayor Pro Tem Loflin, Place 3 Pahmiyer, Place 4 Nielsen, Place 5 McCorkle

The meeting was adjourned at 10:27 a.m.

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Kelli Cole, Mayor

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Stephanie Garcia, City Secretary

LINEBARGER GOGGAN BLAIR & SAMPSON, LLP

ATTORNEYS AT LAW

500 NORTH SHORELINE BLVD., SUITE 1111  
CORPUS CHRISTI, TEXAS 78401

(361) 888-6898

FAX: (361) 888-4405

August 9, 2023

Kelli Cole, Mayor  
Town of Fulton  
P.O. Box 1130  
Fulton, Texas 78358

**RE: Proposal to Publish Delinquent Taxpayers' Names**

Dear Mayor Cole:

Our law firm is proposing to publish delinquent taxpayers' names in the local newspapers in October, 2023. As in the past, there will be no less than 2 warning notices published in the local newspapers in order to give the taxpayers an opportunity to take action to prevent their names from appearing on the published list. Enclosed please find the proposed "Resolution Authorizing the Publication of Names," a sample letter notifying the taxpayer of the publication, and a sample advertisement notifying the public that the publication of names is going to occur. We would ask that this item be placed on the Town's Agenda for the meeting scheduled for Wednesday, August 16, 2023 as an action item. A suggested wording of this item is as follows: "Consideration and Action on the Proposal to Publish Delinquent Taxpayers' Names."

It is a pleasure to serve the Town of Fulton, and do not hesitate to contact my office if you have any questions, comments or need additional information regarding this or any other matter.

Sincerely,



Steven D. Saucedo  
Attorney at Law

cc: Anna Marshall, Aransas County  
Tax Assessor-Collector  
319 N. Church Street  
Rockport, Texas 78382

# **NOTICE OF INTENT TO PUBLISH DELINQUENT TAXPAYER NAMES**

Dear Taxpayer;

***The Taxing Entities in Aransas County will in October, 2023 publish the names of no less than the top 200 individuals and businesses that are delinquent in their tax obligations for the tax years 2022 and prior.***

Due to the fact that you are delinquent in the payment of the taxes due on your property(ies) in Aransas County, you risk having your name published in a countywide newspaper in October, 2023. In order to prevent the publication of your name, full payment of the amount shown on the attached statement(s) should be made by **4:30p.m. Friday, September 29, 2023** to the Aransas County Tax Office.

Payment can be made by either visiting or mailing a check to:

**Aransas County Tax Office  
319 North Church Street  
Rockport, Texas 78382  
(361) 729-6633**

Please disregard this notice if: (1) you are timely paying these taxes under a valid written installment agreement, (2) you have a filed over-65 or disability deferral, and/or (3) you are currently a debtor in a pending bankruptcy case. If you are now in bankruptcy, please furnish **in writing** the number of your bankruptcy and the identification of the court in which it is pending so as to enable us to code your account and avoid further mailings. Please disregard this notice if you have paid your taxes since September 5, 2023.

Sincerely,  
Linebarger Goggan Blair & Sampson, LLP

# **PUBLICATION WARNING NOTICE**

## **PAST DUE TAXES OWED TO THE ARANSAS COUNTY TAXING AUTHORITIES**

**Rockport-Fulton ISD, Aransas County,  
City of Rockport, Aransas County MUD  
#1, Aransas County Navigation District  
and the Town of Fulton will publish in  
October, 2023 the names of no less than  
the top 200 individuals and businesses  
that are delinquent in their tax  
obligations as of  
Friday, September 29, 2023.**

**PAY YOUR PAST DUE TAXES  
PRIOR TO 4:30 P.M. FRIDAY,  
SEPTEMBER 29, 2023, TO  
PREVENT YOUR NAME FROM  
APPEARING ON THE PAST DUE  
LIST TO BE PUBLISHED.**

**Please make any inquiries and payment to:**

**Aransas County Tax Office  
319 North Church Street  
Rockport, Texas 78382  
(361) 729-6633**

**\* If you are current in making payments pursuant to a valid written installment agreement, have a filed over 65 or disability deferral and/or if you are a debtor in a bankruptcy case where we have received notification, your name will not appear in the past due list.**

**RESOLUTION NO. R-09-2023****RESOLUTION AUTHORIZING PUBLICATION OF  
DELINQUENT TAXPAYERS' NAMES**

WHEREAS, a proposal has been made to publish in a newspaper of county-wide circulation a list of the names of no less than the top two hundred (200) individuals and/or businesses who owe delinquent taxes to the Aransas County Taxing Entities, and who are not currently making payments under a written installment agreement, in bankruptcy or have a filed over-65 or disability deferral; and

WHEREAS, the publication of delinquent taxpayers' names has resulted in a significant increase in the payment of delinquent taxes to the Town of Fulton in the past, and

WHEREAS, the Aransas County Tax Office and the Law Firm of Linebarger Goggan Blair & Sampson, LLP will prior to the publication take out at least two advertisements warning the targeted taxpayers that their names will be published if full payment is not made or an installment payment agreement is not entered into.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Fulton does authorize the Aransas County Tax Office and the Law Firm of Linebarger Goggan Blair & Sampson, LLP to publish the names of no less than the top two hundred (200) individuals and/or businesses who owe delinquent taxes to the Aransas County Taxing Entities and who are not currently making payments pursuant to a written payment agreement, in bankruptcy or have a filed over-65 or disability deferral.

PASSED AND APPROVED this 16<sup>th</sup> day of August, 2023.

\_\_\_\_\_  
Kelli Cole  
Mayor of Fulton

ATTEST:

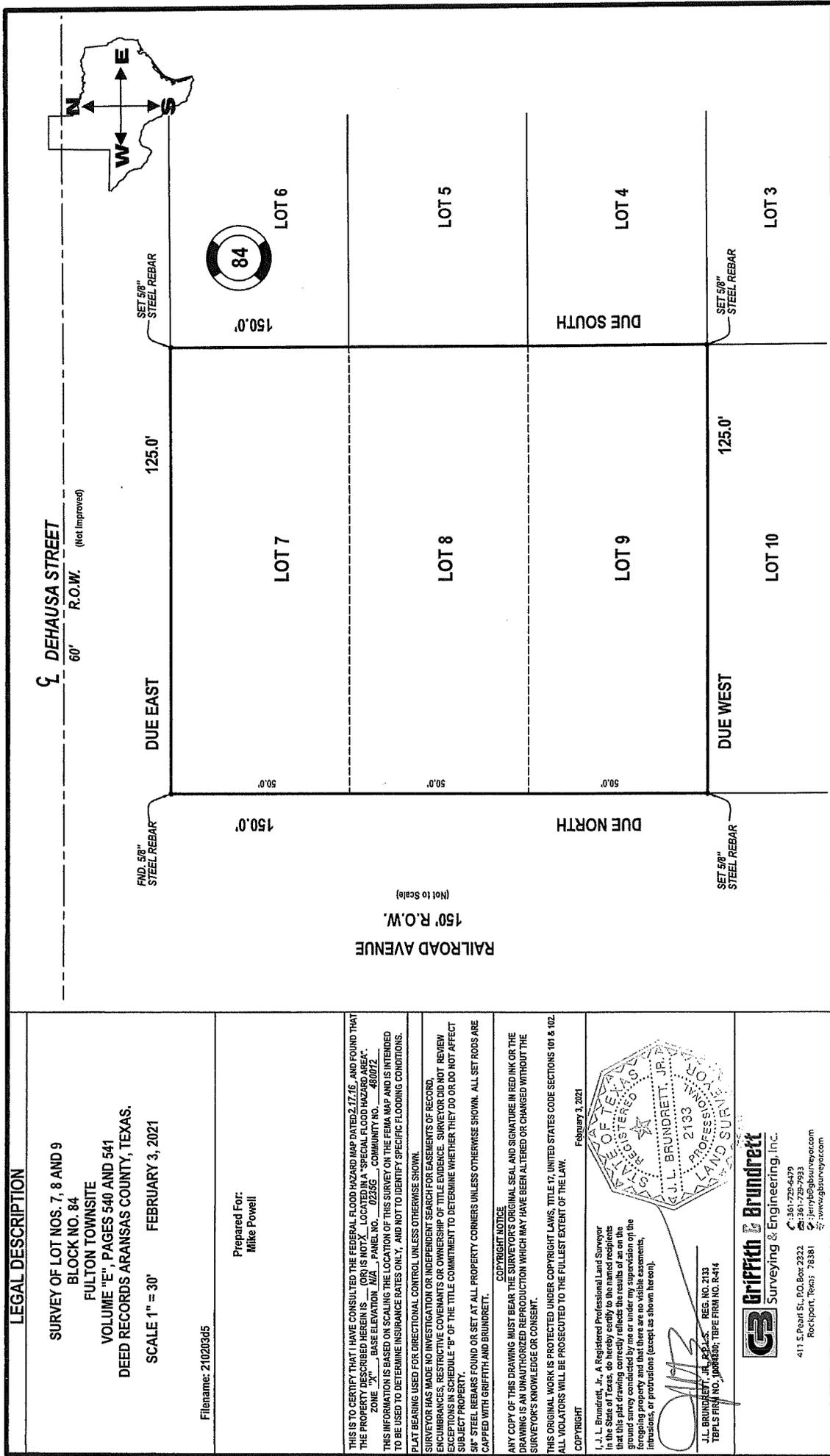
\_\_\_\_\_  
Stephanie Garcia, City Secretary

**1008 DEHAUSA  
(Owner: Phil Salemi)**

- Requests a 5' Set Back variance on rear and side boundary lines
- Building 40X70 Barndominium metal buildings with living space and storage
- The 5' rear set back will allow 50' of concrete drive in front for turn around and parking
- 8' Engineered wooden fence will be installed with gated entry

(SURVEY)

1008 DEHAUSA



**LEGAL DESCRIPTION**

SURVEY OF LOT NOS. 7, 8 AND 9  
BLOCK NO. 84  
FULTON TOWNSITE  
VOLUME "E", PAGES 540 AND 541  
DEED RECORDS ARKANSAS COUNTY, TEXAS.  
SCALE 1" = 30' FEBRUARY 3, 2021

Filename: 210203d5

Prepared For:  
Mike Powell

THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL FLOOD HAZARD MAP DATED 2/17/16 AND FOUND THAT THE PROPERTY DESCRIBED HEREIN IS (OR IS NOT) LOCATED IN A "SPECIAL FLOOD HAZARD AREA".  
ZONE "X" - BASE ELEVATION: N/A - PANEL NO. 02355 - COMMUNITY NO. 480012

THIS INFORMATION IS BASED ON SCALING THE LOCATION OF THIS SURVEY ON THE FEMA MAP AND IS INTENDED TO BE USED TO DETERMINE INSURANCE RATES ONLY, AND NOT TO IDENTIFY SPECIFIC FLOODING CONDITIONS.

PLAT BEARING USED FOR DIRECTIONAL CONTROL UNLESS OTHERWISE SHOWN.

SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS OR OWNERSHIP OF TITLE EITHER. SURVEYOR DID NOT REVIEW EXCEPTIONS IN SCHEDULE "B" OF THE TITLE COMMITMENT TO DETERMINE WHETHER THEY DO OR DO NOT AFFECT SUBJECT PROPERTY.

5/8" STEEL REBARS FOUND OR SET AT ALL PROPERTY CORNERS UNLESS OTHERWISE SHOWN. ALL SET RODS ARE CAPPED WITH GRIFFITH AND BRUNDRETT.

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THIS ORIGINAL WORK IS PROTECTED UNDER COPYRIGHT LAWS, TITLE 17, UNITED STATES CODE SECTIONS 101 & 102. ALL VIOLATORS WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.

COPYRIGHT

February 3, 2021

J. L. Brundrett, Jr., A Registered Professional Land Surveyor in the State of Texas, do hereby certify to the named recipients that this plat, drawing, or other document reflects the results of an on the ground survey conducted by me or under my supervision of the foregoing property and that there are no visible easements, intrusions, or protrusions (except as shown herein).

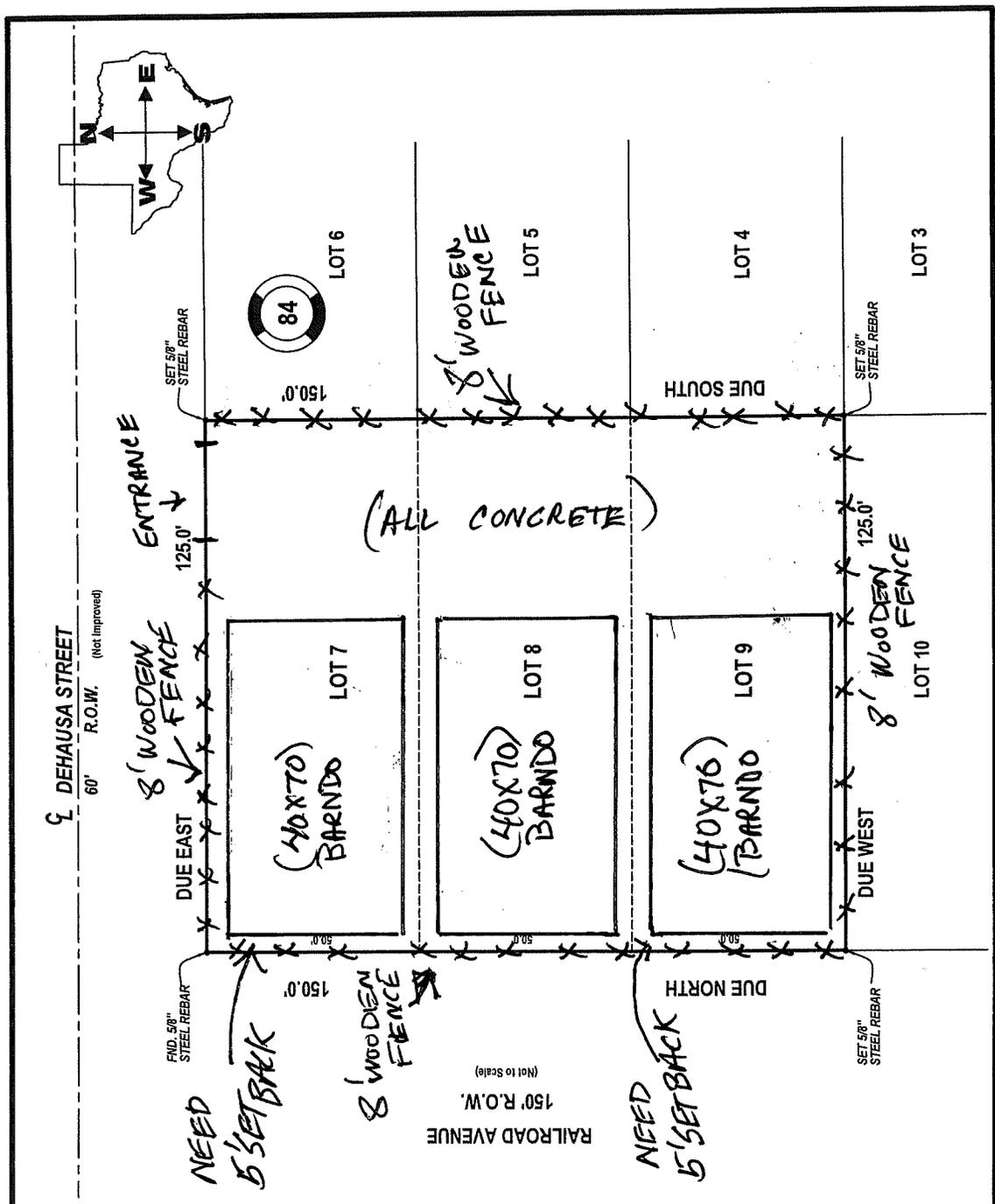
J. L. BRUNDRETT, JR., P.S., REG. NO. 2133  
TELEPHONE NO. 788-0440; TEXT: 788-1414



411 S. Pearl St., P.O. Box 2322  
Rockport, Texas 78381  
Phone: 361-729-6479  
Fax: 361-729-7933  
www.griffithsurveying.com

\* EACH BARN DOMINIUM INCLUDES LIVING SPACE  
 \* NEED VARIANCE FOR 5' SET BACKS EACH SIDE  
 \* 8' ENGINEERED WOODEN FENCE AROUND ALL LOTS  
 \* WPI-8 ENGINEERED

1008 DEHAUSA



**LEGAL DESCRIPTION**  
 SURVEY OF LOT NOS. 7, 8 AND 9  
 BLOCK NO. 84  
 FULTON TOWNSITE  
 VOLUME "E", PAGES 540 AND 541  
 DEED RECORDS ARKANSAS COUNTY, TEXAS.  
 SCALE 1" = 30'      FEBRUARY 3, 2021  
 Filename: 210203d5

Prepared For:  
 Mike Powell

THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL FLOOD HAZARD MAP DATED 2/7/16, AND FOUND THAT THE PROPERTY DESCRIBED HEREIN IS (OR IS NOT) LOCATED IN A "SPECIAL FLOOD HAZARD AREA".  
 ZONE: X-1, BASE ELEVATION: 102.1, PANEL NO.: 02559, COMMUNITY NO.: 489972.  
 THIS INFORMATION IS BASED ON THE LOCATION OF THIS SURVEY ON THE FEMA MAP AND IS INTENDED TO BE USED TO DETERMINE INSURANCE RATES ONLY, AND NOT TO IDENTIFY SPECIFIC FLOODING CONDITIONS.  
 PLAT BEARING USED FOR DIRECTIONAL CONTROL UNLESS OTHERWISE SHOWN.  
 SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS OR OWNERSHIP OF TITLE EVIDENCE. SURVEYOR DID NOT REVIEW EXCEPTIONS IN SCHEDULE "B" OF THE TITLE COMMITMENT TO DETERMINE WHETHER THEY DO OR DO NOT AFFECT SUBJECT PROPERTY.  
 5/8" STEEL REBAR FOUND OR SET AT ALL PROPERTY CORNERS UNLESS OTHERWISE SHOWN. ALL SET RODS ARE CAPPED WITH GRIFFITH AND BRUNDRETT.  
 COPYRIGHT NOTICE  
 ANY COPY OF THIS DRAWING MUST BEAR THE SURVEYOR'S ORIGINAL SEAL AND SIGNATURE IN RED INK OR THE DRAWING IS AN UNAUTHORIZED REPRODUCTION WHICH MAY HAVE BEEN ALTERED OR CHANGED WITHOUT THE SURVEYOR'S KNOWLEDGE OR CONSENT.  
 THIS ORIGINAL WORK IS PROTECTED UNDER COPYRIGHT LAWS, TITLE 17, UNITED STATES CODE SECTIONS 101 & 102. ALL VIOLATORS WILL BE PROSECUTED TO THE FULLEST EXTENT OF THE LAW.  
 COPYRIGHT  
 February 3, 2021

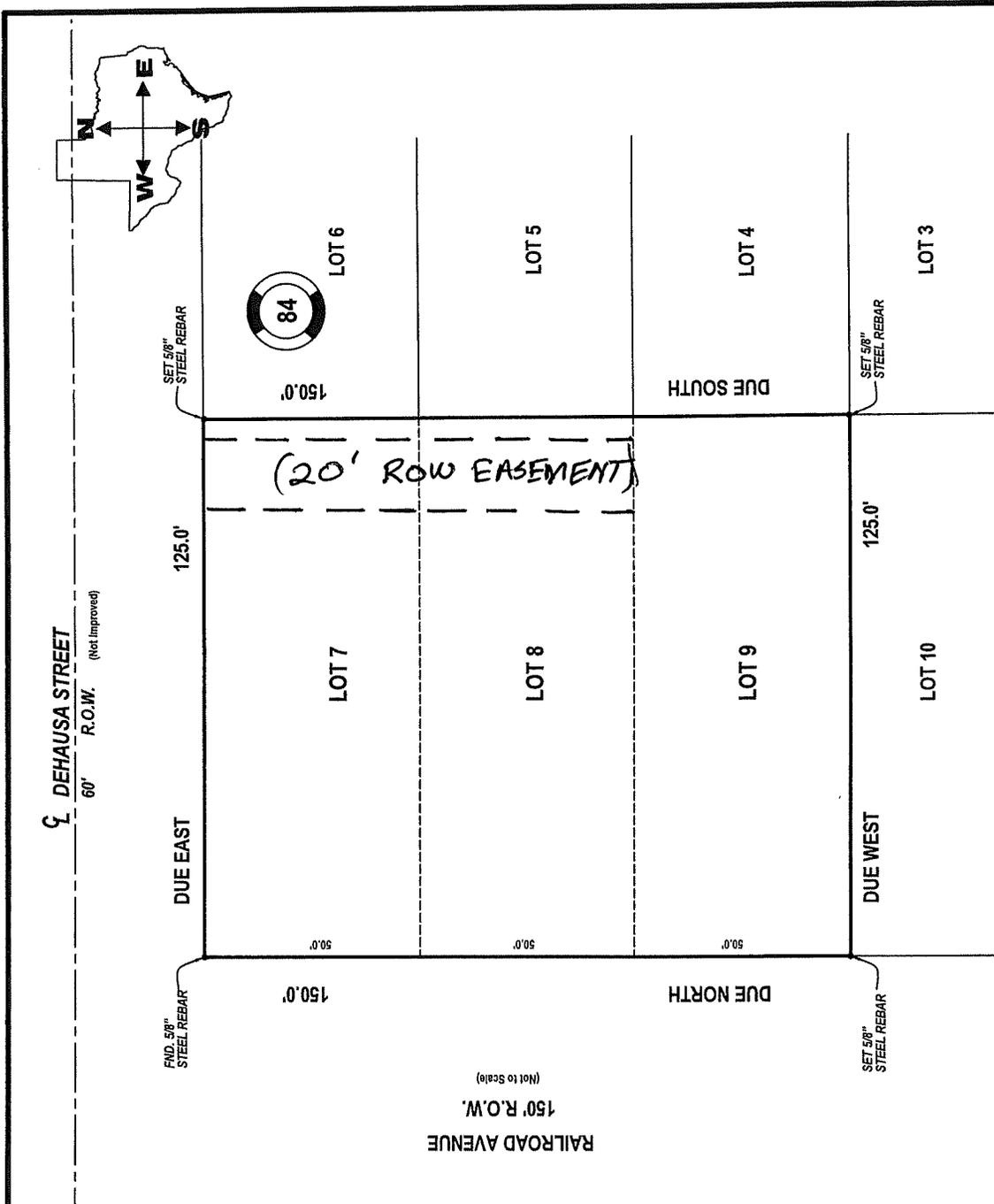
J. L. Brundrett, Jr., A Registered Professional Land Surveyor in the State of Texas, do hereby certify to the named recipients of this drawing that the same was prepared by me or under my supervision and to the foregoing property and that there are no visible easements, intrusions, or prohibitions (except as shown hereon).

J.L. BRUNDRETT, JR., PLS. REG. NO. 2133  
 TITLE #15160; TDFE FROM NO. R414

**Griffith & Brundrett**  
 Surveying & Engineering, Inc.  
 361-729-6479  
 361-729-7933  
 411 S. Pearl St., P.O. Box 2322  
 Rockport, Texas 78381  
 jbrundrett@surveyor.com  
 www.gbsurveyor.com

1008 DEHAUSA

Item 3.



**LEGAL DESCRIPTION**

SURVEY OF LOT NOS. 7, 8 AND 9  
BLOCK NO. 84  
FULTON TOWNSITE  
VOLUME "E", PAGES 540 AND 541  
DEED RECORDS ARANSAS COUNTY, TEXAS.  
SCALE 1" = 30' FEBRUARY 3, 2021

Filename: 21020345

Prepared For:  
Mike Powell

THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL FLOOD HAZARD MAP DATED 2/27/16, AND FOUND THAT THE PROPERTY DESCRIBED HEREIN IS (OR IS NOT) LOCATED IN A "SPECIAL FLOOD HAZARD AREA".  
ZONE "X", BASE ELEVATION 104, PANEL NO. 02355, COMMUNITY NO. 48072.

THIS INFORMATION IS BASED ON THE LOCATION OF THIS SURVEY ON THE FEMA MAP AND IS INTENDED TO BE USED TO DETERMINE INSURANCE RATES ONLY, AND NOT TO IDENTIFY SPECIFIC FLOODING CONDITIONS.

PLAT BEARING USED FOR DIRECTIONAL CONTROL UNLESS OTHERWISE SHOWN.

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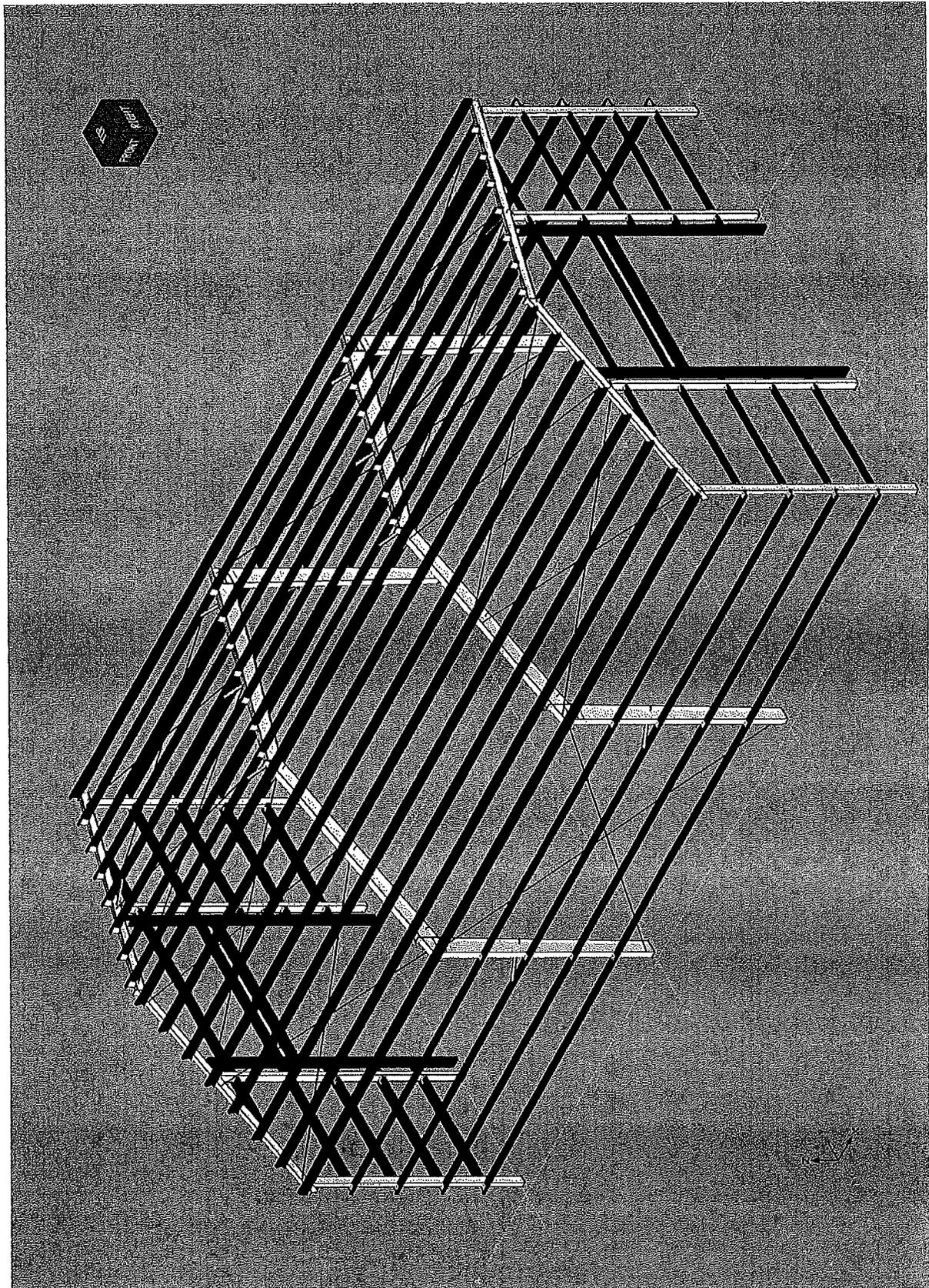
COPYRIGHT  
February 3, 2021

J. L. Brundrett, Jr., A Registered Professional Land Surveyor in the State of Texas, do hereby certify as the named recipient of this drawing that the same was prepared by me or under my supervision on the ground survey conducted by me or under my supervision on the foregoing property and that there are no visible easements, intrusions, or protrusions (except as shown hereon).

J.L. BRUNDRETT, JR., P.L.S. REG. NO. 2133  
T.E.P.'S FIRM NO. 1064806; T.B.F.E. FIRM NO. 14-114

**Griffith & Brundrett**  
Surveying & Engineering, Inc.  
411 S. Pearl St., P.O. Box 2322  
Rockport, Texas 78381  
361-725-6479  
361-725-7933  
jbrundrett@brundrettsurveyor.com  
www.gbsurveyor.com







June 15, 2023

STATE OF TEXAS  
COUNTY OF ARANSAS

I, BRIDGET A. BRUNDRETT, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that I have established the elevations listed below on LOTS 7-9, BLOCK 84, FULTON TOWNSITE, TOWN OF FULTON, ARANSAS COUNTY, TEXAS.

ADDRESS: 1008 DEHAUSA ST.

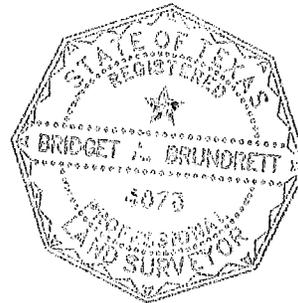
- |                              |        |
|------------------------------|--------|
| 1. Centerline of DEHAUSA ST. | +14.16 |
| 2. AVG GROUND - MIDLOT       | +14.02 |
| 3. Top of 2x2 Hub            | +14.34 |

The above elevations are based on the Bench Mark AN2405, Elevation +18.90' NAVD 88.



BRIDGET A. BRUNDRETT, R.P.L.S.  
REG. NO. 6073

This is to certify that I have consulted the Federal Flood Hazard map dated 2-17-16 and found that the property described herein is \_\_\_ (or, is not X), located in a special flood hazard area. Zone "X" Base Flood Elevation NA Panel No. 0235G Community No. 480012.



**NOTE:** Based on approximate scaling from the FEMA Flood Insurance Rate Map (FIRM), this property appears to be located as stated above. Information to be used to determine Flood Insurance Rates only and not intended to identify specific flood hazard conditions.

June 15, 2023

STATE OF TEXAS  
COUNTY OF ARANSAS

I, BRIDGET A. BRUNDRETT, a Registered Professional Land Surveyor in the State of Texas, do hereby certify that I have established the elevations listed below on LOTS 7-9, BLOCK 84, FULTON TOWNSITE, TOWN OF FULTON, ARANSAS COUNTY, TEXAS.

ADDRESS: 1008 DEHAUSA ST.

1. Centerline of DEHAUSA ST.	+14.16
2. AVG GROUND - MIDLOT	+14.02
3. Top of 2x2 Hub	+14.34

The above elevations are based on the Bench Mark AN2405, Elevation +18.90' NAVD 88.

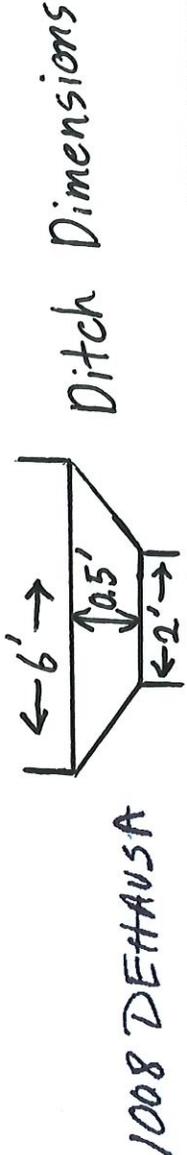


BRIDGET A. BRUNDRETT, R.P.L.S.  
REG. NO. 6073

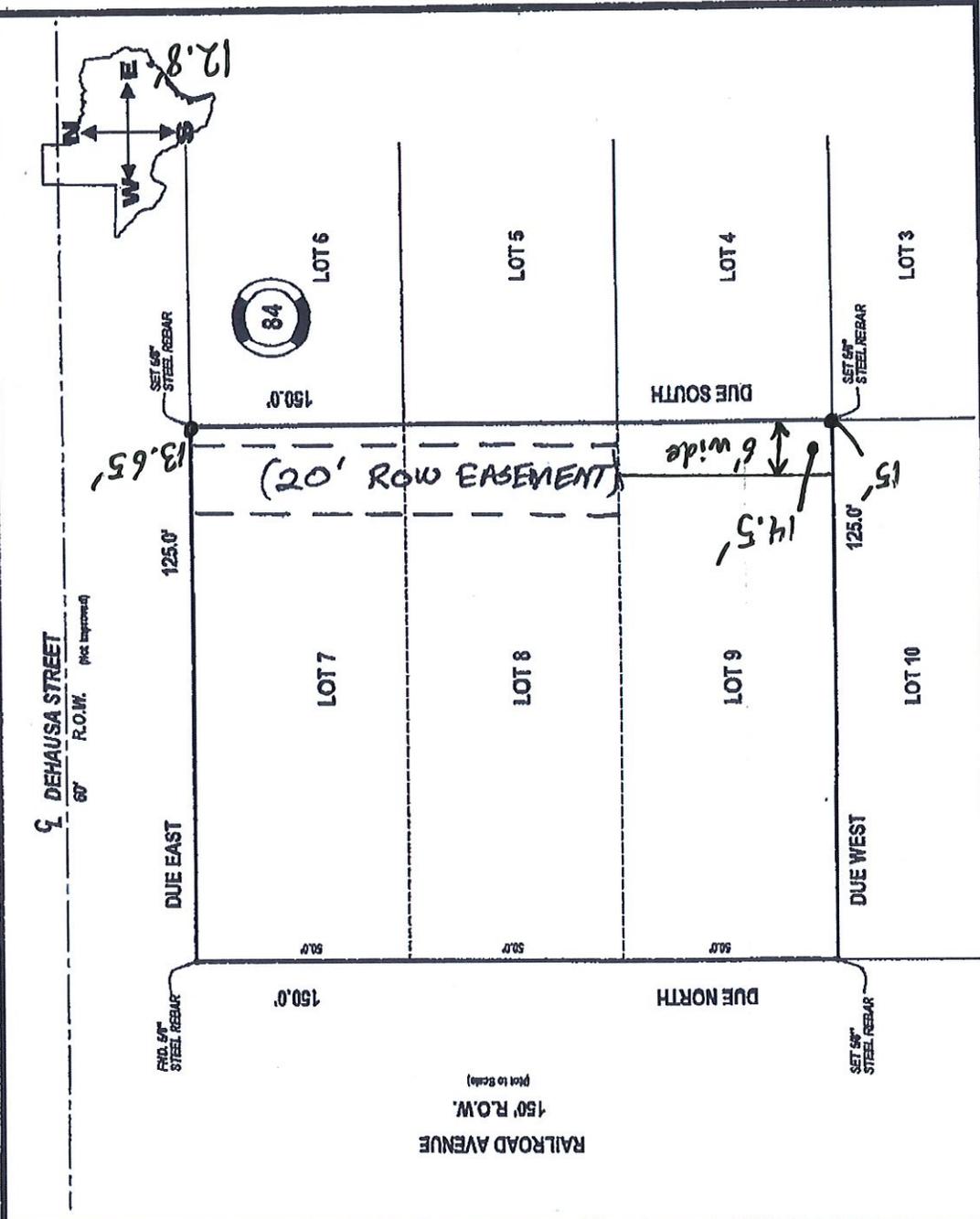


This is to certify that I have consulted the Federal Flood Hazard map dated 2-17-16 and found that the property described herein is     (or), is not X, located in a special flood hazard area. Zone "X" Base Flood Elevation NA Panel No. 0235G Community No. 480012.

**NOTE: Based on approximate scaling from the FEMA Flood Insurance Rate Map (FIRM), this property appears to be located as stated above. Information to be used to determine Flood Insurance Rates only and not intended to identify specific flood hazard conditions.**



1008 DEHAUSA



**LEGAL DESCRIPTION**

SURVEY OF LOT NOS. 7, 8 AND 9  
BLOCK NO. 84  
FULTON TOWNSITE  
VOLUME "E", PAGES 540 AND 541  
DEED RECORDS ARANSAS COUNTY, TEXAS.  
SCALE 1" = 30'      FEBRUARY 3, 2021

Flotname: 21020745

Prepared For:  
Kilba Powell

THIS IS TO CERTIFY THAT I HAVE CONSULTED THE FEDERAL FLOOD HAZARD MAP DATED 11/11/11 AND FOUND THAT THE PROPERTY DESCRIBED HEREIN IS IN UNFLOODED AREA, LOCATED IN A "SPECIAL FLOOD HAZARD AREA", ZONE "X", BASE ELEVATION: 78.0', PANEL NO. 22559 - COMMUNITY NO. 42077.

THIS INFORMATION IS BASED ON A REVIEW OF THE LOCATION OF THIS SURVEY ON THE FIRM MAP AND IS INTENDED TO BE USED TO DETERMINE INSURANCE RATES ONLY, AND NOT TO BE USED FOR ANY OTHER PURPOSES.

PLAT READING USED FOR CONSTRUCTION OF THIS SURVEY UNLESS OTHERWISE NOTED.

IF YOU HAVE MADE OR ANTICIPATE MAKING ANY CHANGES TO THIS SURVEY, YOU SHOULD NOT REUSE EXCEPTANCE, RESTRICTIVE COVENANTS OR ENCUMBRANCES OF TITLE EVIDENCED BY THIS SURVEY UNLESS YOU DO NOT AFFECT SUBJECT PROPERTY.

IF STEEL REBAR IS FOUND OR SET AT ALL PROPERTY CORNERS UNLESS OTHERWISE NOTED, ALL SET POINTS ARE CAPPED WITH GRIFFITH AND BRUNDRATT.

**COPYRIGHT NOTICE**

ANY COPY OF THIS DRAWING MUST BEAR THE SURVEYOR'S ORIGINAL SEAL AND SIGNATURE IN RED INK ON THE DRAWING IS AN UNAUTHORIZED REPRODUCTION WHICH MAY HAVE BEEN ALTERED OR FORWARDED WITHOUT THE SURVEYOR'S KNOWLEDGE OR CONSENT.

THIS DRAWING WORK IS PROTECTED UNDER COPYRIGHT LAWS, TITLE 17, UNITED STATES CODE SECTIONS 101 & 102. ALL RIGHTS WILL BE PROTECTED TO THE FULLEST EXTENT OF THE LAW.

**COPYRIGHT**

G.L.L. Brundratt, Jr., A Registered Professional Land Surveyor in the State of Texas, do hereby certify that the enclosed plat reflects the results of an original survey conducted by me or under my supervision and the registration of the plat with the proper authorities (except as noted herein).

G.L.L. BRUNDRATT, JR.  
2133  
PROFESSIONAL LAND SURVEYOR  
STATE OF TEXAS  
EXPIRES 12/31/2021

**Griffith & Brundrett**  
Surveying & Engineering, Inc.  
411 L. Pinesville, P.O. Box 2322  
Rockport, Texas 78381  
C 409-729-6079  
F 409-729-7923  
E info@griffithandbrundrett.com

$$Q = \frac{(K \cdot A \cdot R^{2/3}) \cdot S^{1/2}}{n}$$

$$(1.49/n) = 99.333$$

$$\text{Sqrt}(S) = 0.075$$

$$S^{1/2} \cdot (1.49/n) = 7.478$$

AR <sup>2/3</sup>	R <sup>2/3</sup>	Radius	R	A	a	b	h	Q capacity	Q min
0.389	0.389	0.243	4.123	1	4	0	0.5	2.91	3.55
0.661	0.441	0.293	5.123	1.5	5	1	0.5	4.95	3.55
0.949	0.474	0.327	6.123	2	6	2	0.5	7.09	3.55
2.154	0.538	0.395	10.123	4	10	6	0.5	16.11	3.55

<=500' Kerby  $T_c = .828 * [(L * N)^{.467}] * S^{-.235}$

L =	300
N =	0.02
Fall =	1.7
S =	0.0057
Tc =	6.45

L total (ft)	300
Area (acre)	0.43
Fall	1.7

ft^2	
Acre	0.43

Combination			
N =			0.02

N		%	value
Smooth imp.	0.02	100	0.02
Cultivated	0.2	0	0
Pasture	0.4	0	0

kerpich  $T_c = .0078 * L^{.77} * S^{-.385}$

L =	0
S =	0
Tc =	0.00

Slope	0
-------	---

**Tc**

	ft^2	ACRE	Lft
AREA A	18,750.00	0.43	300

Intensity  $I = b / (T_c + d)^e$

Tc =	6.45	0.107459		
b =	77	88	95	98
d =	8.5	8.5	8.5	9.2
e =	0.787	0.745	0.739	0.725

Year	5	25	50	100
I =	9.164	11.734	12.874	13.343

Yr Storm	2	5	10	25	50	100
b	73	77	79	88	95	98
d	9.2	8.5	8.5	8.5	8.5	9.2
e	0.821	0.787	0.753	0.745	0.739	0.725

$Q = C * I * A$

Year	5	25	50	100
C =	0.900	0.900	0.900	0.900
I =	9.164	11.734	12.874	13.343
A =	0.43	0.43	0.43	0.43

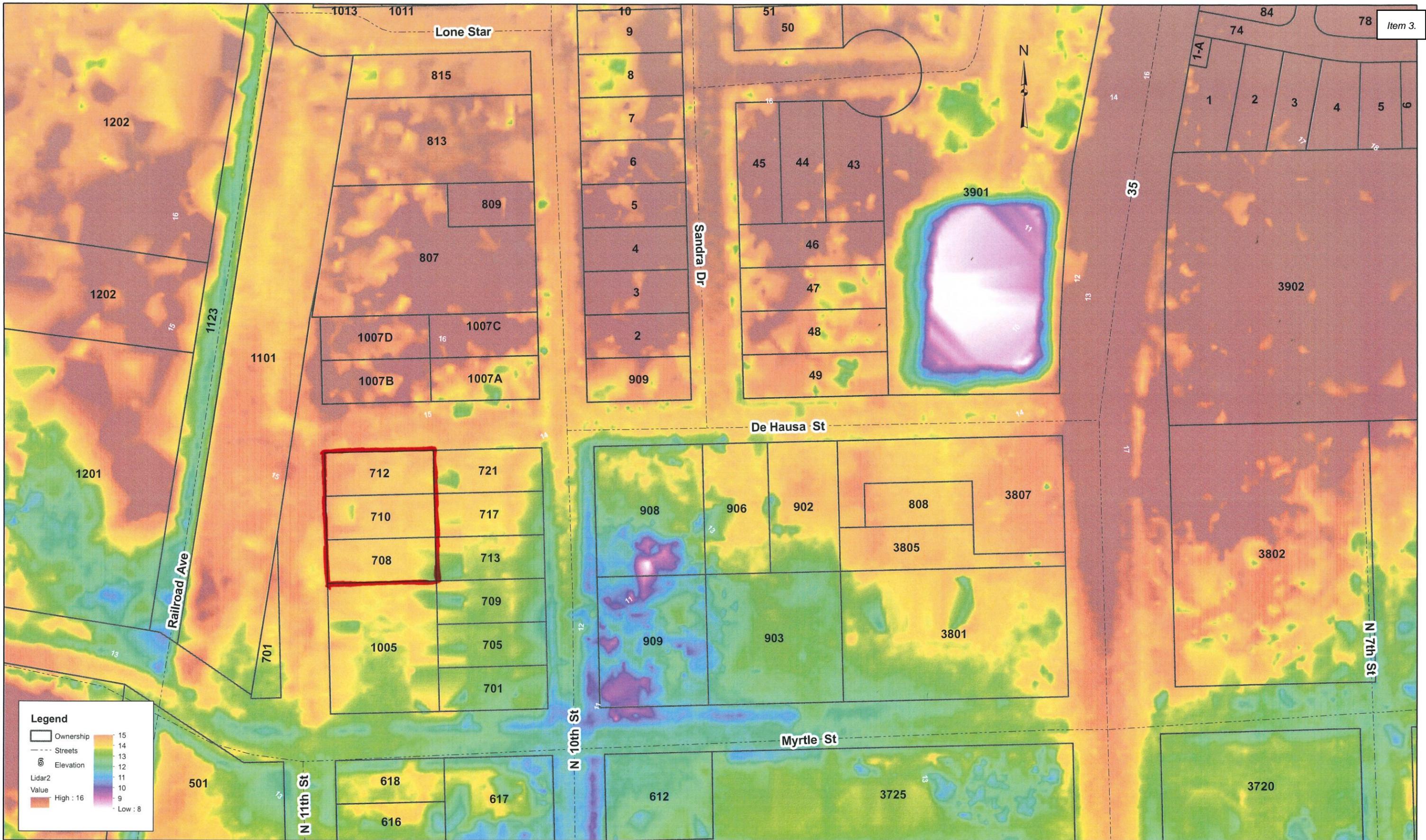
Q =	3.55	4.55	4.99	5.17
-----	------	------	------	------

LAND USE	C	%	Value
pasture	0.15	0	0
Cultivated	0.2	0	0
Woodlands	0.1	0	0
Residential		0	0
>1 acre	0.2	0	0
1/2 -1 acre	0.3	0	0
Trailer Park	0.5	0	0
Apt/Condo	0.6	0	0
Industrial	0.7	0	0
Commercial	0.8	0	0
Concrete	0.9	100	0.9

Combination	
C =	0.9

**I**

**Q**



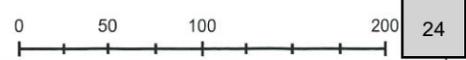
**Legend**

- Ownership
- Streets
- Elevation
- Lidar2 Value

High : 16  
Low : 8

# DE HAUSA ST ARANSAS COUNTY

Created by: Damaris Escobedo  
 GIS/CAD-Specialist  
 Aransas County Road & Bridge  
 Date: 08.01.2023



Item 3.



## Engagement Letter - Single Audit

July 18, 2023

The Honorable Kelli Cole, Mayor  
 Town of Fulton, Texas  
 201 North 7th Street  
 Fulton, Texas 78358

We are pleased to confirm our understanding of the services we are to provide for the Town of Fulton (the "Town") for the year ended September 30, 2023.

### Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Town as of and for the year ended September 30, 2023.

Accounting standards generally accepted in the United States of America (GAAS) provide for certain Required Supplementary Information (RSI), such as Management's Discussion and Analysis (MD&A), to supplement the Town's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule(s)
3. Pension Schedule(s) as applicable
4. OPEB Schedule(s) as applicable

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

1. Combining Statement(s) and Schedule(s)

## 2. Schedule of Expenditures of Federal Awards

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on---

1. Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
2. Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance").

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an avoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance

with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

### **Audit Procedures-Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures-Compliance**

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town's major programs. The purpose of these procedures will be to express an opinion on the Town's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related disclosures of the Town in conformity with GAAP and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related disclosures services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### Nonaudit Services

In connection with the engagement, we will perform services unrelated to our attest function. The additional services we will provide include:

1. **Preparation of Documents**  
 We will assist in preparing the financial statements and related notes of the Town in conformity with GAAP based on information provided by the Town.
2. **Advisory Services**  
 We will provide routine advisory services through phone calls, conferences, or otherwise, in connection with incidental matters arising during the year. We encourage open lines of communication throughout the year as part of our services.
3. **Correspondence**  
 We will handle all normal correspondence from grantor, regulatory, or oversight agencies related to the audit.
4. **Professional Proofing**  
 To ensure documents issued in connection with the audit engagement are professional in appearance, we will submit both client-prepared information, as well as documents created entirely by the auditor, to an independent professional proofreader for a cover-to-cover inspection. This review will include consistent formatting, grammar, logic, and any other items that may detract from the document. This process is over and above technical reviews performed.
5. **Printing and Binding**  
 All final hard copy documents will be printed on a 1200 dpi or better resolution copier and bright white report paper. Reports will be bound with GBC-brand plastic combs with 30 mil oversized covers. We will manually inspect each page from one document and spot check remaining reports for printing errors. Our reports will be centered, properly aligned, and free of smudges and other detracting elements.
6. **Electronic Adobe Searchable PDF**  
 In addition to providing hard copy documents, we will also provide all final documents in electronic image files in Adobe PDF format, suitable for posting in electronic agenda packages, posting on websites, or transmitting by email to regulatory agencies.
7. **Client Portal - Auditbox**  
 We will provide the Town access to our proprietary AuditBox online site to provide a central repository where both the Town's personnel and audit team members can see documents being exchanged during the process to eliminate duplicate requests from audit team members. Both the Town's documents, as well as final audit documents, will be hosted on the site providing an archive of information that new personnel may access in subsequent years, if information is needed regarding what was provided for a prior year audit or a copy of audit documents issued.

### Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible

for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with GAAP; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review prior to the beginning of our audit fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, on which we have been engaged to report, in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are

responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

You agree to assume all management responsibilities for the financial statements preparation, schedule of expenditures of federal awards, related disclosures, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

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

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

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

The audit documentation for this engagement is the property of Belt Harris Pechacek, LLLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Belt Harris Pechacek, LLLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Fees for our services are based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, word processing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Items that likely will increase the fee estimate include:

1. Assistance with addressing matters that were designated as management's responsibility, which include closing schedules and closing entries.

2. Submission of audit data within 60 days of a client requested completion date or filing deadline, requiring overtime hours to meet the deadline.
3. Changes in accounting pronouncements, professional standards, laws, and regulations not known to us as of the date of this letter that have a significant impact on time requirements.
4. Changes in the operations and significant matters that materially change the audit scope such as evaluation of the impact of joint ventures, debt issuance/refunding/advance extinguishment, forbearance agreements, notice of material events, enforcement actions, required corrective actions, self-insurance, environmental liabilities, going concern, and/or other postemployment benefits.
5. Significant increases in State or Federal funding requiring State and/or Federal Single Audits and/or increases to the number of grants classified as major programs by Office of Management and Budget (OMB) or State requirements.
6. Follow up on allegations or discovery of a) noncompliance with laws, regulations, and policies; b) fraud, waste, and abuse; c) significant deficiencies in internal control; d) nepotism; and e) related party transactions.

As customary in the industry, the price quoted is an estimate. In accordance with rules of the State Board of Public Accountancy, we cannot be bound to provide the audit for the amount estimated. However, in practice, we honor our fee quotes unless adverse conditions such as those described above are encountered.

#### Fee Estimates

	<u>2023</u>
Financial Statement Audit	\$ 28,080
<b><u>Additional Fees if Required:</u></b>	
Single Audit- Base Fee	\$ 4,120
Single Audit- Per Major Program	\$ 5,215

#### GASB Statement 96

Governmental Accounting Standards Board Statement 96, *Subscription-Based Information Technology Arrangements* ("GASB 96") takes effect this year. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The standards for SBITAs are based on the standards established in GASB 87, *Leases* ("GASB 87"). Under GASB 96, a government should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. Similar to GASB 87, GASB 96 will require management to evaluate the impact, plan for the impact, and make necessary changes in business processes. Implementation of GASB 96 will generally require centralized SBITA document management; in-depth review of SBITA documents; recording and tracking of multiple data points per arrangement, which may necessitate new software based on the volume of SBITAs; and development of new controls, reconciliations, and policies and procedures. Management needs to begin making initial assessments immediately to determine the lead time and resources needed. Management should establish the goal of being fully implemented at the earlier of interim audit procedures or 60 days prior to year end to provide for a sufficient buffer to safeguard against delay in issuing the financial statements. If management is not prepared by the regularly scheduled start date for the audit, the options will be to receive a modified audit opinion, for us to withdraw from the engagement, or to reschedule the engagement to the end of the government audit season, April 2024. The number of SBITAs that an organization has will likely be grossly underestimated and the time requirement to assemble and evaluate documents understated. Accordingly, **it is imperative to begin the GASB 96 SBITA process early to avoid negative impact.**

Our fee estimate does not include any additional time to prepare required data and disclosures or to perform audit procedures as the number and types of SBITAs varies significantly by organization. Time associated with GASB 96 will be tracked and billed separately. It is imperative that the GASB 96 work be fully completed prior to the interim audit, which typically occurs during the summer.

### **Federal Single Audit Engagement**

A federal single audit is required by the OMB's Uniform Guidance when federal funds over \$750,000 are expended. Federal single audit fees vary based on the number of major programs as defined by OMB. Accordingly, the federal single audit fee consists of a 'Federal Single Audit-Base Fee' to cover basic fixed amounts and the 'Federal Single Audit-Per Major Program Fee', which is the scalable portion dependent on the actual number of major programs. The number of major programs is established by OMB criteria. If a federal single audit is required, there will be at least one major program. Prior year federal single audit reports will help plan for the number of major programs, but they will vary from year to year based on the level of federal funding. Should you not exceed OMB's federal single audit threshold, a federal single audit will not be required. If you anticipate exceeding the federal single audit threshold, please contact us as far in advance as possible so that we can begin doing preliminary federal single audit work.

### **Non-State Single Audit Engagement**

A state single audit is required when grant funds that originated from the State of Texas (this does not include federal monies passed through the State) over \$750,000 are expended. State single audit fees vary based on the number of major programs as defined by the *State of Texas Single Audit Circular*. The additional technical verbiage that is necessary when a state single audit is required is not included within this engagement letter, nor does the proposed engagement fee include additional fees related to a state single audit. Should you exceed the state single audit threshold, a new engagement letter will be required.

### **Billing Protocol**

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Generally, 40 percent will be billed and payable upon completion of interim audit procedures (normally one to four months before year end) and 60 percent after a draft of the financial statements is issued. Accordingly, the fee will be split 40/60 between budget years. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### **Required Attachments**

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2021 peer review accompanies this letter.

### **Reporting**

We will issue a written report upon completion of our audit of the Town's financial statements. Our report will be addressed to those charged with governance of the Town. Circumstances may arise in which our report may differ from its expected form and content based on the results of the audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis of matter or other matter paragraph to our auditors' report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from the engagement.

### **Foreign Terrorists Organizations**

Pursuant to Chapter 2252, Texas Government Code, we represent and certify that, at the time of execution of this letter, neither we nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code or Subchapter F of Chapter 2252 of the Texas Government Code or (ii) is a

Town of Fulton  
Engagement Letter  
Page 9 of 10

company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term 'foreign terrorist organization' in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

**Vendor Representation Regarding Israel**

Pursuant to Chapter 2271, Texas Government Code, we represent that we do not boycott Israel and will not boycott Israel during the term of the contract. The term 'boycott Israel' shall have the meaning ascribed to this term in Section 808.001 of the Texas Government Code.

**Required Non-Appropriation Clause**

Notwithstanding anything contained in this engagement to the contrary, in the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable in any fiscal period for fees due under this engagement agreement, the Town will immediately notify us in writing of such occurrence and this agreement shall terminate on the last day of the fiscal period for which appropriations have been received or made.

Town of Fulton  
Engagement Letter  
Page 10 of 10

**Authorization of CPA's Disclosure**

Any client certified public accountant involved with assisting us shall not be prohibited from disclosure of information required to be made available by the standards of the public accounting profession in reporting on the examination of financial statements. Management understands and provides permission to staff certificate or registration holders as required under the Rules of Professional Conduct, Texas Administrative Code, Title 22, Part 22, Chapter 501, Subchapter C, Section 501.75.

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

Sincerely,

**Belt Harris Pechacek, LLLP**  
*Certified Public Accountants*

Authorized by:



Robert Belt, CPA, CGMA  
Managing Partner

RESPONSE:

This letter correctly sets forth the understanding of Town of Fulton.

\_\_\_\_\_  
The Honorable Kelli Cole, Mayor

\_\_\_\_\_  
Date



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

January 5, 2022

To the Partners of Belt, Harris, Pechacek, LLLP  
and the Texas Society of CPAs Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Belt, Harris, Pechacek, LLLP (the firm) in effect for the year June 30, 2021. 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, limitation of, and the procedures performed in a System Review as described in the standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

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

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

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 Belt, Harris, Pechacek, LLLP, in effect for the year ended June 30, 2021, has been suitable designed or complied with to provide the firm with reasonable assurance of performing the reporting in conformity with applicable standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Belt, Harris, Pechacek, LLLP, has received a peer review rating of *pass*.

Very truly yours,

*MWH Group, P.C.*

MWH Group, PC